EMPLOYMENT INSURANCE

2002 Monitoring and Assessment Report

Human Resources Development Canada
Développement des ressources humaines Canada

Canada

SP-102-05-03E

Canada Employment Insurance Commission
Commission de l'assurance-emploi du Canada

March 2003

The Honourable Jane Stewart
Human Resources Development Canada
P'ace du Portage, Phase IV
140 Promenade du Portage
Hull, Quebec
K1A 0J9

Dear Minister Stewart:

We are pleased to present the *2002 Emplcyment Insurance Monitoring and Assessment Report*, the sixth in a series of annual reports to be submitted to the Minister of Human Resources Development by the Canada Employment Insurance Commission under section 3 of the *Employment Insurance Act*.

This sixth report focuses on the period April 1, 2001 to March 31, 2002 – the fifth full fiscal year the Employment Insurance system was in place. The report presents a detailed analysis of what is known so far about the impact of the 1996 Employment Insurance reform on income benefits as well as the Employment Benefits and Support Measures. It compares results for 2001/02 to 2000/01. In this context, trends for the periods between 1995/96 and 1997/98 and 1998/99 to 2000/01 identified in the *2001 Monitoring and Assessment Report* are also discussed. In addition, the report provides updates on improvements in program administration, community adjustment, and savings realized during the period under review. The report also takes a preliminary examination of what is known about the recent changes to Employment Insurance made under Bill C-2 and the enhancement to parental benefits.

You should note that our findings on the impact of changes to the Employment Insurance program for this period are still somewhat incomplete. For example, as it takes several months following the end of a claim before administrative information is available for analysis, the information about claims that started in the latter part of 2001/02 will only be available later. In addition, information on measures such as the benefit repayment provision comes via the tax system, therefore the most recent information on this provision was for 2000.

We trust that you will find the report informative.

Wayne Wouters
Chairperson

Anthony Wohlfarth
Commissioner for Workers

Maryantonett Flumian
Vice-Chairperson

Roger Légaré
Commissioner for Employers

Canada

Employment Insurance
2002 Monitoring and Assessment Report

Submitted to:

The Minister of Human Resources Development Canada

March 31, 2003

By:

The Canada Employment Insurance Commission

Prepared by:

Human Resources Development Canada
Strategic Policy
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For additional copies of this publication, please write or fax indicating the catalogue number:
SP-102-05-03E

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Available on the Internet at: http://www.hrdc-drhc.gc.ca
Internet Cat. No. MP43-192/1-2003E-IN
ISBN 0-662-33930-4

Available in alternate formats, upon request, at 1 800 788-8282 on Touchtone phone.

Aussi disponible en français sous le titre *Assurance-emploi – Rapport de contrôle et d'évaluation 2002*

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Cat. No. MP43-192/1-2003E
ISBN 0-662-33925-8

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The Employment Insurance (EI) program, introduced in July 1996 and January 1997, represented the most fundamental restructuring of the Unemployment Insurance program in 25 years. That is why the Government of Canada included a legislative requirement for the Canada Employment Insurance Commission to monitor and assess the impacts of the reform in a series of five reports covering the years 1997 to 2001. In light of the need to modify the EI program in the context of sound evidence,[1] the monitoring and assessment requirement has been extended for an additional five years, from 2001 to 2006. Findings from recent reports led to the changes introduced in Bill C-2, an *Act to Amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations*, which received Royal Assent on May 10, 2001, and Bill C-49, an *Act to Implement Certain Provisions of the Budget Tabled in Parliament on December 10, 2001*, which received Royal Assent on March 27, 2002. EI regulations were also changed because of the monitoring and assessment process. Modifications to the rules concerning undeclared earnings, small weeks and apprentices came into effect, respectively, on August 12, 2001, November 18, 2001, and July 21, 2002.

This is the sixth *Employment Insurance Monitoring and Assessment Report* and it focuses on the period April 1, 2001 to March 31, 2002, the fifth full fiscal year that the Employment Insurance system has been in place.

Chapter 1 sets the context for the results by providing an overview of the Canadian labour market, briefly reviewing the service delivery context and providing an overview of the recent changes to the program. The results for Income Benefits are described in Chapter 2. The support provided to unemployed workers through active re-employment measures, known as Employment Benefits and Support Measures (EBSMs), is discussed in Chapter 3. Chapter 4 provides an overview of program administration including the Modernizing Services for Canadians initiative. In Chapter 5, impacts of EI on individuals, communities and the economy are analyzed.

I. CANADA EMPLOYMENT INSURANCE COMMISSION

The Canada Employment Insurance Commission has four members who represent the interests of government, workers and employers. The Chairperson and Vice-Chairperson (the Deputy Minister and Associate Deputy Minister of Human Resources Development Canada) represent the interests of the federal government. The Commissioners for Workers and Employers represent the interests of workers and employers, respectively. Among its other responsibilities, the Commission has been assigned the legislated mandate to monitor and assess the impacts of EI reform. Under the 1996 EI Act, the Commission was to provide a report to the Minister by December 31st each year. However, under Bill C-2, this date was changed to allow for sufficient consultations with provinces in the preparation of this report. The Employment Insurance Commission must now provide the Minister with the report no later than March 31st. The report is then to be tabled by the Minister in Parliament.

The 1996 reforms were far-reaching, affecting the fundamental design of the program. The 2001 and 2002 amendments reflected the program's responsiveness to changing economic and labour market conditions. The monitoring and assessment process helps provide a broader understanding of the

[1] The Monitoring and Assessment report makes use of many sources of information in analyzing the effects of the changes introduced under Employment Insurance. In addition to HRDC administrative data, Canadian Out of Employment Panel (COEP) studies and information from Statistics Canada, evaluation studies that are funded by HRDC are also used. As in previous reports, this report includes references to evaluation studies that touch on both Part I and Part II benefits of the *Employment Insurance Act*.

effectiveness of changes implemented. It reports on the impact of reforms on individuals, communities and the economy and helps contribute to the evolution of the program by providing feedback on how EI is assisting Canadians with temporary income support and re-employment measures.

II. LEGISLATED MANDATE

Specifically, section 3(1) of the *Employment Insurance Act* states that:

"The Commission shall monitor and assess:

(a) how individuals, communities and the economy are adjusting to the changes made by this Act to the insurance and employment assistance programs under the *Unemployment Insurance Act*;

(b) whether the savings expected as a result of the changes made by this Act are being realized; and

(c) the effectiveness of the benefits and other assistance provided under this Act, including

  (i) how the benefits and assistance are utilized by employees and employers; and

  (ii) the effect of the benefits and assistance on the obligation of claimants to be available for and to seek employment and on the efforts of employers to maintain a stable workforce."

In addition, under Bill C-2, section 3(2) of the EI Act was amended to extend the monitoring and assessment process to 2006 and to allow the Commission more time for proper consultations with the provinces and territories in the preparation of the report. The Act now states that:

"The Commission shall report to the Minister on its assessment annually from 2001 to 2006, no later than March 31 following the end of each of those years. The Commission shall make any additional reports at any other times, as the Minister may request."

In the sixth annual EI monitoring and assessment report the impact of EI on the economy, communities and individuals is examined. The focus of the analysis is on the period from April 1, 2001, to March 31, 2002, which is the fifth full fiscal year since the implementation of the Employment Insurance (EI) program. In addition, trends identified in previous reports are also discussed in light of the findings.

The report opens with an overview of the Canadian labour market in Chapter 1. Chapter 2 provides an overview of EI Income Benefits in terms of claims established and benefits paid. Chapter 3 discusses the use of active re-employment measures to help clients return to work. Administration of the EI program is discussed in Chapter 4. The report concludes with an integrated review of the impact of the EI program on the economy, communities and individuals in Chapter 5.

I. CANADIAN LABOUR MARKET

Despite the economic slowdown, which began in early 2001, the Canadian labour market continued to perform well in 2001/02. Overall, employment grew by 145,300 jobs or 1.0% in this reporting period. Of the 145,300 new jobs created during the reporting period, a total of 104,300 jobs or 71.8% were in full-time employment. In 2001/02, part-time employment represented 18.2% of all jobs, which is a continuation of the downward trend since peaking at 19.2% in 1996/97.

Net employment growth in 2001/02 was in paid employment, which is significant because paid employment is insured under EI and self-employment is generally not covered under the program. The analysis also indicates that all net employment growth occurred in the service sector, where employment grew by 1.4%. In contrast, employment declined by 0.3% in the goods producing sector.

The strength of the Canadian economy during the reporting period is also demonstrated by the fact that participation rates for men (72.6%) and women (59.8%) increased. However, the slowdown in the Canadian economy did result in a 0.5 percentage point increase in the average unemployment rate from 6.9% in 2000/01 to 7.4% in 2001/02. All age and gender groupings experienced slightly higher unemployment rates.

The key features of the Canadian labour market in 2001/02 were as follows:

- **Employment growth** was higher for women (1.4%) than for men (0.6%). This reflects the higher growth in the service-producing sector (1.4%), where women tend to be more highly represented, relative to the goods-producing sector (-0.3%).
- **Older workers** (55+) experienced the most significant growth in employment (5.1%). Growth in employment for older workers has been consistently high over the past five reporting periods.
- **Youth** (15–24) employment increased by 0.6%, declining from a growth rate of 3.6% the previous year. Youth employment declined by 3.5% in the goods-producing sector while employment grew by 1.6% in the service-producing sector.
- **Immigration** is a critical aspect and a key strength of the Canadian labour market as it accounts for approximately three quarters of all labour force growth.
- Challenges in **balancing work-life demands** have increased, suggesting that a greater proportion of workers are experiencing pressures in fulfilling their roles of employee, parent, spouse and caregiver.
- **Education** continues to be a critical factor in determining labour market success. In 2001/02, approximately 14.3% of individuals with less than a high school

education were unemployed in comparison to those with a university degree, who experienced a 4.8% unemployment rate.

II. INCOME BENEFITS

The total number of EI claims and overall benefits paid increased from previous years, which is consistent with the slowdown within the economy. In 2001/02, there were about 1.9 million new claims for EI benefits, representing an increase of 10% in comparison to the previous year.

The breakdown by type of benefit is as follows:

- regular claims increased by 7.9% to 1.48 million claims;
- Work Sharing claims increased by 174% to 47,302 claims;
- fishing claims increased by 8.2% to 30,552 claims; and
- special benefits claims increased by 9.5% to 465,920 claims.

Total income benefits paid amounted to $11.5 billion in 2001/02, an increase of 23.9% from 2000/01. The breakdown by benefit type is as follows:

- regular benefits increased by 17.2% to $8.0 billion;
- Work Sharing benefits increased by 353% to $47.2 million;
- employment benefits increased by 6.4% to $423.2 million;
- fishing benefits increased by 4.8% to $246.9 million; and
- special benefits increased by 53.6% to $2.8 billion.

Regular claims for **women** increased by 6.9%, while those for **men** increased by 8.6%. The lower rate of growth in claims for women reflects the continued growth within the service-producing sector. Men on the other hand witnessed a greater increase in regular EI claims due to the slowdown in manufacturing, where employees are predominantly men (72%).

Claims filed by **youth** increased by 7.8% during the reporting period. Given their lack of experience in their workplace, youth may be one of the first groups to be affected by an economic slowdown. At the same time, results show that youth tend to have a greater degree of work force attachment prior to filing for EI benefits.

Regular claims by **older workers** increased by 11.3% in 2001/02. While the increase in claims for older workers is also related to the economic slowdown, another contributing factor is the growth of the labour force that is over 55, reflecting the aging population of Canada's work force.

There was also an increase in the number of **first-time and occasional EI clients** in 2001/02. This reflects the economic slowdown and is significant because it shows that EI was accessed in greater numbers by people who need to rely on the program less often. It should be noted that the proportion of EI clients that are **frequent** claimants declined slightly in 2001/02 to 35% of regular and fishing claims. As in past years, the vast majority of frequent EI clients (80%) had a "seasonal" pattern of filing for EI.

In terms of **special benefits**, this reporting period marks the first complete fiscal year since the introduction of the enhancements in maternity and parental benefits. The preliminary findings are encouraging and the enhancements will continue to be monitored to determine whether trends change over time. Under the enhancements, accessibility to special benefits was improved by decreasing the entrance requirement from 700 to 600 hours, the duration of parental benefits was extended from 10 to 35 weeks, and flexibility in sharing benefits was improved by allowing parents to serve only one waiting period and to work partial weeks while on claim. Overall, the initial findings of the enhanced maternity and parental benefits indicate that the enhancements in maternity and parental

benefits are providing families the flexibility to care for their newly born or adopted child for an extended period of time. The number of parental claims increased by 17.7% to 211,270 claims, with the volume of parental claims for men increasing by nearly 80%. The analysis also indicates that parents are using 86.2% of the full year available to them. These findings not only indicate that a greater number of families are accessing the benefits, but also that the level of benefits is adequate as families are collecting the majority of the available benefits.

In addition, analysis of accessibility to maternity and parental benefits for new mothers indicates that in 2001, 84% of mothers with insurable employment in the year before childbirth received maternity and/or parental benefits. This is significant as it represents a 5.0 percentage point increase from 2000 and indicates that the reduction in entrance requirements from 700 to 600 insured hours is working as intended.

The **impact of EI on the economy** was also examined to assess the effectiveness of the program in stabilizing the economy during periods of economic uncertainty. Evidence indicates that the program continues to play a key role in stabilizing the economy as it was responsive to changes within the economy and more specifically within the labour market. EI claim volume for regular benefits increased over the first three quarters of the reporting period in response to the slowdown in the economy. Analysis also indicates that the EI program assisted in stabilizing the economy during the slowdown by minimizing job losses and maintaining household spending by providing counter-cyclical economic stimulus. Results of a macro-simulation model indicate that without the EI program an additional 71,000 jobs would have been lost in 2001 and 2002. Further, the analysis indicates that the program assisted in maintaining household spending with only 12% of EI recipients experiencing a decline in their household spending.

Analysis shows that the **Work Sharing** program was a significant factor in stabilizing the economy during the slowdown. In 2001/02, the Work Sharing program averted an estimated 13,000 layoffs, which explains the significant growth in Work Sharing claims (174%) and benefits paid (353%). Analysis indicates that the Work Sharing program was used to a greater extent during the second half of the reporting period, which is attributable to the economic slowdown following September 11.

The **impact of EI on communities** was also examined to assess the effect of EI on a micro level. Analysis of 14 representative communities indicates the program responds quite well to local labour markets and that benefits are adequate despite very different economic realities across the country. The analysis shows that the duration of EI benefits continues to be adequate as claimants rarely used more than 70% of their maximum entitlement before returning to work, even in communities with high unemployment.

The **impact of EI on individuals** was examined to assess the effectiveness of the program in providing temporary income support, in promoting greater work force attachment, and in assisting families to balance work-family responsibilities. This analysis was undertaken by examining three core issues: accessibility to EI benefits, adequacy of EI benefits and promoting work force attachment.

Access to the EI program was analyzed using a number of different measures focusing on the employed and the unemployed. Analysis of the **employed population** indicates that access to EI remains high with 88% of individuals in paid employment being eligible for EI benefits if they had lost their jobs in December 2000. The level of access was consistent across all regions of the country

despite significant variations in the local labour market. Accessibility was virtually the same for men (97%) and women (96%) working full time.

In addition, two measures of coverage focusing on the **unemployed population** were assessed. The Employment Insurance Coverage Survey (EICS) indicated that nearly 83% of the EI target population was eligible to receive EI benefits in 2001, remaining stable over the past two years. Further, although it is too broad a measure to reliably reflect the effectiveness of the EI program because it includes individuals whom the program was not intended to cover, the beneficiary to unemployed (B/U) ratio increased slightly from 45% to 47% in 2001/02.

Analysis continues to indicate that **fishers** are qualifying for benefits with relative ease as 96% of fishing claimants qualified for benefits with insured earnings in excess of the maximum entrance requirement of $5,500. It is important to note the shift in the fishery from ground fish to shellfish and the resulting increase in revenues in the industry. The ease with which fishers are qualifying for benefits has raised issues as more individuals may be entering the fishing industry than otherwise would be the case.

Adequacy of EI benefits was examined from a variety of perspectives, including the duration of entitlement and the weekly benefit rate. Analysis for 2001/02 indicates that on average, regular beneficiaries collected only two thirds of the weeks that they were eligible to receive benefits, a proportion that is consistent with previous reporting periods. In addition, approximately 30% of regular EI beneficiaries exhausted their entitlement to EI benefits, which is also consistent with previous reporting periods. The adequacy of EI benefits is demonstrated by the fact that the proportion of entitlement used and the proportion of beneficiaries exhausting their entitlement remained stable during a period of economic uncertainty.

The adequacy of EI benefits was also undertaken by examining the growth in average benefit. Analysis indicates that the average weekly benefit increased by 2.6% to $304. This is significant as the increase in the average weekly benefit rate exceeded the growth in the average industrial wage rate (1.7%), indicating the benefit is adjusting in relation to rising average wage rates of claimants. In fact, since 1996/97 the average benefit has increased by 12% in comparison to an 8.5% increase in the average industrial wage rate over the same period.

Results for the Family Supplement top-up continue to indicate that the provision is providing a higher level of benefits to claimants in low-income families. In 2001/02, Family Supplement payments increased by 11.7% to $175.8 million. However, the proportion of beneficiaries receiving the Family Supplement declined from 10.7% to 9.7%, which is attributable to family income increasing while the Family Supplement threshold remains fixed at $25,921.

The EI program was designed with features to **promote greater work force attachment** and to promote full participation in the labour market. While there are numerous provisions within the program designed to promote work force attachment, this report focused on three key provisions: the divisor, working while on claim and the Small Weeks provision. Overall, the findings indicate that the divisor and Small Weeks provision are working as intended. However, the working-while-on-claim provision may not be encouraging clients to accept all available work while on EI. Further monitoring and assessment of the provisions to promote work force attachment will be undertaken in future reports to better understand the incentives and disincentives that affect an individual's decision to participate fully in the labour market.

The proportion of EI claimants that were able to secure the additional two weeks of work

remained high at nearly 97%, representing a decline in those affected by the divisor for the second consecutive year. These findings suggest that the **divisor** provision is working as intended as individuals can secure the additional employment even during periods of economic uncertainty.

As reported in previous Monitoring and Assessment reports, the proportion of claimants reporting **working while on claim** continued to decline. The findings continue to indicate that claimants may be hesitant to accept work while collecting EI benefits unless they can reduce their EI benefit for that week to $0, which allows them to keep the week of benefit for later use. The findings also indicate that first-time and occasional claimants are more willing to accept a partial week of work than frequent claimants.

Building on a pilot provision that applied only in areas of high unemployment, the **Small Weeks** provision was implemented nationally in November 2001. The Small Weeks provision encourages clients to work weeks with lower earnings (below $150) as these weeks will not impact their potential EI entitlement on a future claim. In 2001/02 the proportion of claims established using the Small Weeks provision increased slightly from 7.5% to 8.1%, which is attributable to the provision being extended to all economic regions rather than just those with high unemployment rates. Initial analysis indicates that the Small Weeks provision is providing clients with a higher weekly benefit, on average an increase of $14. The analysis also indicates that women and youth are the key beneficiaries of the Small Weeks provision.

In addition, higher eligibility requirements were designed to ensure that workers, especially new workers, established a substantial attachment to the labour force before being eligible for EI benefits. Analysis indicates this provision is working as intended as a larger proportion of individuals new to the work force are qualifying for EI with a greater number of insured hours of employment, indicating a greater work effort and work force attachment prior to accessing EI.

III. EMPLOYMENT BENEFITS AND SUPPORT MEASURES

The 1996 reform emphasized the use of active re-employment measures, known as Employment Benefit and Support Measures (EBSMs). Partnerships with the provinces and territories established through Labour Market Development Agreements (LMDAs) allow provinces/territories to use EBSMs to meet the needs of local labour markets. Both the number of clients served and the number of EBSM interventions increased in 2001/02, reflecting the economic slowdown and resulting increase in EI claims.

Service interventions, which are generally short in duration, accounted for the majority of new interventions in 2001/02, which is consistent with previous reporting periods. At over two thirds, this reflects the number of regular claims filed. Services are often the best means to address the needs of job-ready clients.

Within the designated groups, participation of persons with disabilities and visible minorities was relatively unchanged in both programs and services. However, the participation of women in services and programs declined 1.2 and 2.6 percentage points, respectively. While women participated in nearly half of all interventions, overall, they were more likely than men to participate in service rather than longer term program interventions. This is likely because fewer women participate in apprenticeship training programs. The participation of Aboriginal people in programs remained stable but there was a decline of 1.2 percentage points in the participation of Aboriginal people in services. Finally, the EBSM indicators of returns to work and unpaid benefits declined 8.8% and 10.9% respectively,

reflecting the slowdown during the first three quarters of the reporting period.

IV. PROGRAM ADMINISTRATION

The report also notes that an initiative to modernize service delivery to better reflect the needs of Canadians was launched during the reporting period. The modernizing services initiative expands the choices of how clients will be served and improves the quality and efficiency of services to Canadians. Key highlights of modernizing services in 2001/02 include:

- enhancements to the EI Web site to improve navigation, making it easier for clients to access information;
- the launch of EI Appli-Web, which allows clients to file EI claims over the Internet;
- standardized service offerings to ensure clients receive all relevant information at their first point of contact; and
- development of the ROE-Web project that allows employers to submit employment separation papers (Record of Employment – ROE) over the Internet.

Progress on the modernizing of services will be discussed further in future reports.

V. SUMMING UP

The responsiveness of the EI program nationally and locally to changes in the economy was confirmed in 2001/02. As employment growth declined and unemployment rates increased, Canadians accessed the program in greater numbers. Results indicate that EI remains an important program for working Canadians and their families.

While the EI program continues to meet its primary objective of providing temporary income support for people who temporarily lose their job and assisting them in returning to work, further monitoring of the program is essential. Specifically, the incentives within the EI program to encourage full participation in the labour force require further analysis. In addition, the national implementation of Small Weeks, modifications in the repayment provisions, the level of benefits to low-income families, and the enhancements to maternity and parental benefits need to be further examined. Further analysis of fishing benefits is also necessary to develop a better understanding of the use of the benefits and the relationship between the EI program and the industry.

Findings from the report indicate that the EI program continues to provide support to assist Canadian families in balancing work-family demands. In 2003/04, the EI program will be modified to provide benefits to ensure that eligible workers can take a temporary absence from work to provide care or support to a gravely ill or dying child, parent or spouse. The EI program continues to be monitored to ensure that the program remains responsive to the needs of Canadians.

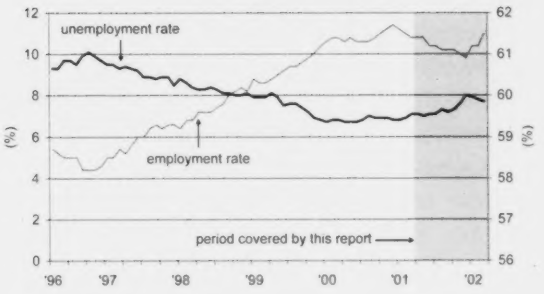
This chapter provides the economic context in which the Employment Insurance (EI) reforms of 1996 and subsequent adjustments can be assessed for fiscal year 2001/02. The first section of the chapter outlines key labour market developments, the second section describes recent legislative changes to EI, and the third section provides an overview of service delivery initiatives.

I. LABOUR MARKET CONTEXT

1. Overview

During the reporting period,[1] Canada's labour market went through a period of transition. The slowdown that started during the previous reporting period was compounded in the fall by the events of September 11th and the resulting impacts on the service-producing sector, particularly within the transportation and tourism industries. Volatility within the economy and more specifically within the telecommunications sector was also a key factor during the reporting period. Despite the economic slowdown, the Canadian labour market continued to be quite dynamic with approximately 4.7 million Canadians being hired and 4.9 million leaving their jobs. However, signs of a recovery emerged during the final quarter of the reporting period despite the weaker economy. Employment grew by 145,300 or 1.0% during the reporting period while the unemployment rate increased from 6.9% to 7.4%. Despite the weaker economy, Canada's economic and labour market performance was strong. It is important to note that while growth slowed in comparison to previous years, Canada's performance was well above the average for OECD countries.[2]

Chart 1: Economic Context since EI Reform

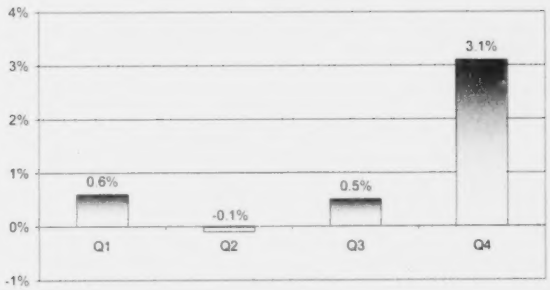


Source: Labour Force Survey

2. Employment

Chart 2 indicates that employment growth strengthened towards the end of the reporting period. During the first and second quarters, employment growth[3] was 0.6% and -0.1% respectively. In the final two quarters, employment growth was 0.5% and 3.1%, an indication that the economy was recovering. Stronger growth in the fourth quarter of the reporting period can be traced to the overall growth in the economy as real gross domestic product (GDP) grew by 6.0% during this time, marking the strongest growth in GDP since the third quarter of 1999/00.

Chart 2: Employment Growth by Quarter



[1] Unless otherwise indicated, the reporting period analyzed in this report is from April 1, 2001 to March 31, 2002. Job growth and unemployment measures are calculated using annual averages of seasonally adjusted data over the fiscal year April 1, 2001 to March 31, 2002, unless otherwise indicated.

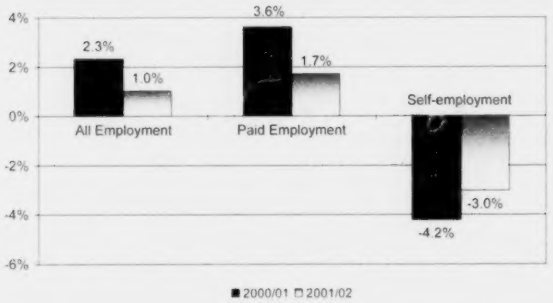
[2] Based upon available data the average employment growth for OECD countries was 0.2% for the period April 1, 2001 to March 31, 2002.

[3] Employment growth from quarter to quarter, annually.

Of the 145,300 new jobs created during the reporting period, a total of 104,300 jobs or 71.8% were in full-time employment. Part-time employment increased by 41,000 jobs or 28.2% of new jobs created, with substantial gains in the months following the events of September 11th. Interestingly, part-time employment peaked at 19.2% of all jobs in 1996/97, but slowly declined to 18.2% in 2001/02. It is also worth noting the importance of seasonal employment in the labour market. Since 1997/98, seasonal employment as a share of paid employment has remained stable at approximately 2.9%. Although, seasonal employment represents a small share of paid employment, it grew at a rate of 2.2% during the reporting period. Interestingly, between 1997/98 and 2001/02, seasonal employment grew at an annual average rate of 3.5%.

It is also significant to note that all employment growth was in paid employment. During the reporting period, the number of new jobs in paid employment increased by 1.7% and declined by 3.0% in self-employment. As a result, the proportion of workers that is self-employed declined from 15.9% to 15.2%. It is important to note that this marks the fourth consecutive year that self-employment has declined after having increased substantially in the early 1990s. The decline in the portion of the labour force that is self-employed is significant because paid employment is insured under EI and self-employment is generally not covered under the program. Findings from a recent report[4] indicate that just over two-thirds of the self-employed are men and 24.3% are aged 50 to 59 in comparison to 16.6% of all employees. The report also indicates that about 70% of self-employed individuals would not abandon their self-employment status for paid work. The report also showed that slightly more than a quarter of the self-employed had income of less than $20,000.

Chart 3: Employment Growth by Type



In comparison to the previous fiscal year, the number of hours worked during the reporting period declined by 0.8% or an average of 4.2 million hours per month. On a year-over-year basis, the decline in hours worked is more prevalent during the period of September to March (decline of 1.2%) in comparison to the period of April to August (decline of 0.3%). The decline in the second half of the reporting period can be linked to the economic uncertainty arising from the events of September 11th. The decline in hours worked is attributable to a reduction in the number of individuals working and also the average number of hours worked. In 2001/02, the average actual hours worked decreased by 2.3% from 35.1 to 34.3. The decline in hours worked reflects the initial reaction of employers during periods of economic uncertainty.

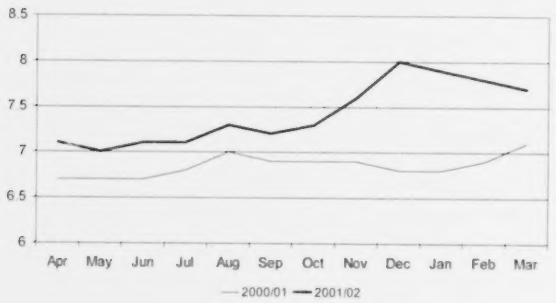
It should be noted that despite weaker economic conditions during the reporting period, data from the 2001 census reveals a high rate of labour force mobility. Provinces such as Alberta, Ontario, and Prince Edward Island gained a total of 171,460 individuals since 1996. All other provinces and territories lost population due to interprovincial migration, led by Quebec, Newfoundland and Labrador and Saskatchewan. In future reports the issue of mobility will be more fully examined.

[4] HRDC report entitled *Results from the Survey of Self-Employment in Canada* and dated January 2002.

3. Unemployment

The slowdown in the Canadian economy resulted in a 0.5 percentage point increase in the unemployment rate from 6.9% to 7.4%. Although the unemployment rate increased, it is important to note the changes during the course of the reporting period (refer to Chart 4). In April 2001, the unemployment rate was 7.1% and increased to a high of 8.0% in December 2001 and then declined to 7.7% in March, corresponding to the strong employment and GDP growth observed over the final quarter.

Chart 4: National Unemployment rate (%)



Gender and all age groupings experienced higher unemployment rates, reflecting the widespread effect of the slowdown. Unemployment increased both for men and women, however, to a varying degree. The unemployment rate for women increased from 6.7% in April 2001 to 7.2% in March 2002, marking the first annual increase since 1996/97. The unemployment rate for men, meanwhile, increased from 7.4% in April 2001 to 8.2% in March 2002. As in previous reporting periods, the change in the unemployment rate for men was more significant and can be traced to the significant slowdown experienced in the goods-producing sector, specifically in the manufacturing production where men tend to be more highly represented.

While the unemployment rate for older workers increased over the reporting period from 5.2% to 5.7%, it was still well below the national average of 7.4%. The youth unemployment rate rose from 12.6% to 13.2%, marking the first increase since 1997/98. Youth are often affected by even minor slowdowns because they have less seniority and experience in the workplace.

Interestingly, the extent to which individuals remain unemployed for extended periods continued to decline in 2001/02. The portion of the unemployed labour force that was out of work for more than a year declined from 6.2% in 2000/01 to 4.9% in 2001/02, which is among the lowest rates for industrialized nations. The level of long-term unemployed in Canada has declined significantly since 1994/95, when 14.9% of the unemployed labour force was unemployed for extended periods. It should also be noted that another approach to examine the issue of long-term employment is the census data, which reveals a long-term unemployment rate of 3.3%, with significant regional variation.

It is also important to note the reasons why individuals became unemployed during the reporting period, as EI is designed to provide temporary income support for involuntary job loss. As shown in Chart 5, the proportion of individuals who lost their job involuntarily increased by 5.7 percentage points to 47.6% while the portion of the unemployed who left their jobs voluntarily decreased by 1.5 percentage points to 20.5%. The increase in the proportion of people losing their job involuntarily is consistent with a labour market characterized by lower growth. It should also be noted that approximately one-third of the unemployed are people who are entering the labour market for the first time or re-entering it after a long period outside the work force.

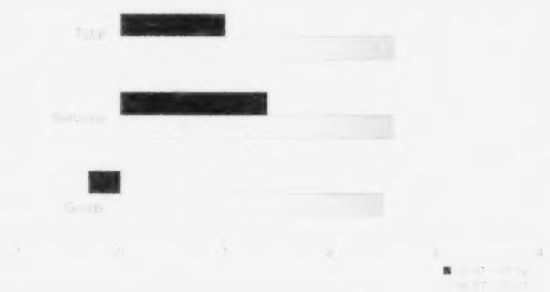
Chart 5: Composition of Those Who Became Unemployed

Source: derived from Statistics Canada data

4. *Sectoral Labour Markets*

Results indicate that all net employment growth occurred in the service sector, where employment grew by 1.4% over the reporting period. Employment in the goods-producing sector declined by 0.3%. This is significant because women represent 54% of all people employed in the service sector while men represent 77% of all those in the goods-producing sector. It is also worth noting that part-time employment represents a higher proportion of total employment in the service-producing sector (22.5%) compared to the goods-producing sector (5.9%).

Chart 6: Employment Growth by Sector
(average annual %)



Source: derived from Statistics Canada data

Every major service-producing sector experienced employment gains over the reporting period, except the transportation and storage industry, which is closely associated with the goods-producing sector, which saw a decline of 2.7%. The largest increases were in information, culture and recreation (4.0%), wholesale and retail trade (2.9%) and managerial, administrative and other support services (2.3%). Among the government-related services, public administration was up 2.1%, health services increased by 1.0% and education services gained 0.6%.

The decline in the goods-producing sector can be traced to agriculture and manufacturing, where employment fell 10.5% and 0.7%, respectively. In contrast, employment grew in utilities (6.0%), construction (3.6%) and the non-agricultural primary industries (2.3%).

Strong job creation in the services sector can be partly explained by the fact that these industries are less reliant on exports, particularly those destined for U.S. markets.

5. *Provincial Labour Markets*

Of the 145,300 new jobs created during the reporting period, the bulk (110,600) of jobs created occurred in Quebec and Ontario. Alberta also experienced strong job creation (42,200). Saskatchewan (-11,300) and British Columbia (-14,300) were the only provinces with net job loss.

Table 1: Jobs Created and Employment Growth by Province

	Jobs Created ('000s)	Employment Growth
Newfoundland and Labrador	7.3	3.6%
Prince Edward Island	1.0	1.5%
Nova Scotia	4.5	1.1%
New Brunswick	1.5	0.4%
Quebec	45.4	1.3%
Ontario	65.2	1.1%
Manitoba	3.7	0.7%
Saskatchewan	-11.3	-2.3%
Alberta	42.2	2.6%
British Columbia	-14.3	-0.7%
Canada	**145.3**	**1.0%**

However, in comparison to the previous reporting period, the labour market conditions weakened in most provinces. The exceptions

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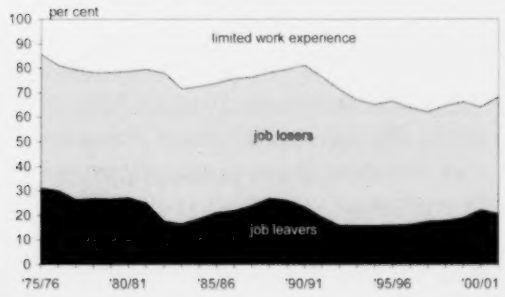

Source: derived from Statistics Canada data

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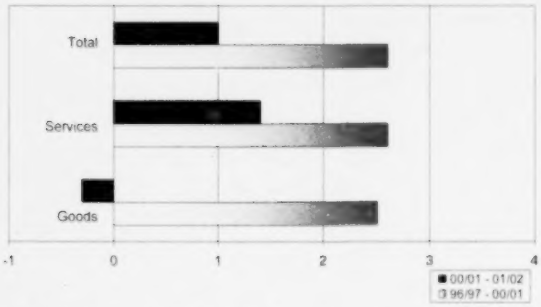

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However, in comparison to the previous reporting period, the labour market conditions weakened in most provinces. The exceptions

were Newfoundland and Labrador and Alberta where employment rose 3.6% and 2.6%, respectively. The employment growth within these two provinces can be linked to gains in the oil and gas industry. Employment within oil and gas extraction increased in Alberta and Newfoundland and Labrador by 25.3% and 55.6%, respectively.

In contrast to previous reporting periods, the unemployment rate increased in all provinces except Newfoundland and Labrador where the unemployment rate remained unchanged and declined by 0.3 percentage points in Alberta. The most significant increases in the unemployment rate occurred in Ontario (5.8% to 6.6%) and British Columbia (7.2% to 8.1%). The increase in the unemployment rate in Ontario is attributable to the slowdown in employment within the manufacturing industry (-2.1%). In British Columbia, the increase in the unemployment rate is attributable to a slowdown in employment within the manufacturing (-7.3%) and the forestry and logging industry (-30.4%).

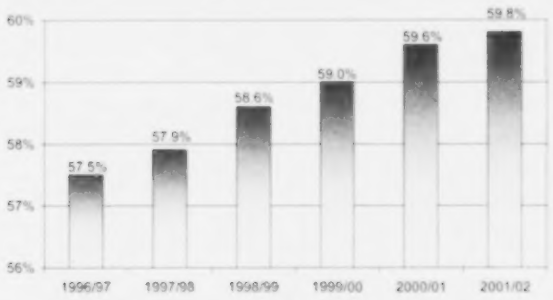
It should be noted that the EI program divides the country into areas of similar labour market conditions, such as census metropolitan areas (e.g., Quebec, Halifax, and Toronto) or areas with broadly similar economic characteristics for which representative unemployment rates can be calculated. The majority of those economic regions (39 of 58) incurred an increase in the unemployment rate from the beginning to the end of the period. This is significant because the EI program is designed to be responsive to changing economic realities by adjusting EI eligibility and entitlement according to regional unemployment rates.

In comparison to the previous reporting period, when the increase in the unemployment rate was focused in the province of Ontario, the increase during this reporting period was widespread. For instance, the unemployment rate increased in all large metropolitan areas with Toronto, Montréal and Vancouver increasing respectively by 1.0, 1.1, and 2.5 percentage points. The Ottawa economic region incurred the greatest percentage point increase (+2.7) of all metropolitan areas, which can be traced to the important slowdown within the telecommunications sector. A majority of economic regions within each province displayed higher unemployment rates. For example, this was the case in 5 out of 9 Atlantic Canada economic regions. In Quebec, unemployment rates in 7 out of 12 economic regions increased. Similarly, in Ontario, 13 out of 17 regions experienced an increase in the unemployment rate. In the Prairies, the unemployment rate went up in 8 out of 11 economic regions. Finally, all economic regions in British Columbia had higher unemployment rates.

6. Women, Men and Youth

As in the previous reporting period, employment growth was greater for women (1.4%) than for men (0.6%), which is a continuation of the trend identified in previous Monitoring and Assessment reports. Employment growth for women continues to be based within the service sector as women are more highly represented in service-producing industries while men are more highly represented within goods-producing industries. In addition, the participation rate of women in the labour force continued its upward trend, increasing slightly from 59.6% to 59.8%. In contrast, the participation rate of men increased slightly by 0.1 percentage point to 72.6%. Also of significance is the fact that growth in full-time employment for women (1.5%) exceeded that of men (0.4%), while growth in part-time employment was greater for men (2.4%) versus women (1.1%).

Chart 7: Participation Rates for Women

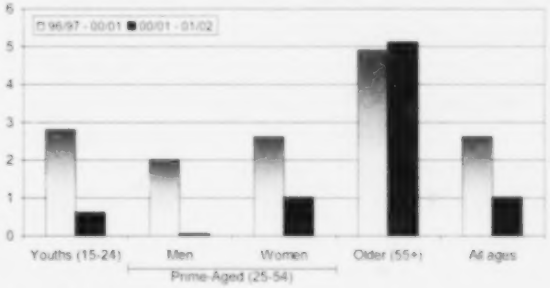


Women's employment within the service-producing sector increased by 1.6%, which is substantially lower than during the previous reporting period (3.3%). However, within the service-producing sector the growth rate for women exceeded the rate for men (1.2%). In comparison to the previous reporting period, women's employment growth slowed within the service-producing sector in almost all industries. The most significant growth in employment for women in the service-producing sector was realized in the trade (1.8%) and health care and social assistance (2.1%) industries. Women's employment within the goods-producing sector remained stable. It is interesting to note that women's employment within manufacturing industries increased by 0.6% in comparison to a decline for men of 1.2%.

Employment growth for men was also concentrated within the service-producing sector, which is in contrast to previous reporting periods when the growth was evenly divided or was concentrated within the goods-producing sector. Growth within the service-producing sector was mainly attributable to growth in trade (3.9%), public administration (2.3%), and the conglomerate of information, culture, and recreation (4.5%) industries. Men's employment within the goods-producing sector declined by 0.4%, attributable to declines in manufacturing (-1.2%) and agriculture (-10.6%).

During an economic downturn, youth and those with minimal education are most at risk. Growth in youth employment declined to 0.6% from a growth rate of 3.6% for the previous reporting period. Youth employment declined in the goods-producing sector (-3.5%) while employment grew by 1.6% in the service-producing sector. The decline in youth employment within the goods-producing sector is attributable to declines in agriculture (-12.0%) and manufacturing (-7.8%). Declines in these industries for youth exceed the national decline, reiterating the risk that youth face in times of economic uncertainty. Within the service-producing sector, employment increased in trade (3.1%) and information, culture and recreation (6.9%) industries. In addition, the limited growth in the labour market had a more significant impact on young men than on young women. While employment remained essentially flat for young men, employment increased by 1.2% for young women. The difference is partly due to the weakness within the goods-producing sectors.

Chart 8: Employment Growth by Gender and Age
(average annual %)



Source: derived from Statistics Canada data

The most significant growth in employment for the reporting period occurred among workers who were 55 or older (5.1%). Growth in employment for older workers has been consistently high over the past five reporting periods. Further, the participation rate for older workers has been rising, increasing from 23.8% in 1996/97 to 26.4% in 2001/02. Over this same period, the participation rate for

older women grew by 17.4% in comparison to 6.5% for older men.

7. Other Labour Force Characteristics

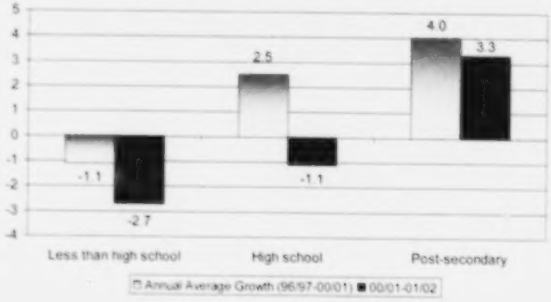
In previous reports, attention was given to the importance of education as a key factor of labour market success. The following section continues this analysis by examining the role of immigration and the growing pressure on Canadians to balance work and family responsibilities. The examination of these key factors is essential as there have been growing pressures on the EI program to address the various labour market risks related to skill development, integration of recent immigrants, and the capacity of families to balance work and family responsibilities.

Education and Skill Level

In 2001/02, approximately 13.3% of individuals with less than a high school education were unemployed compared to those with a university degree experiencing a 4.8% unemployment rate. This underlines the importance of skill development and the need to develop a culture of lifelong learning within the Canadian labour market. In response to the need for a more skilled work force, Canadians continued to upgrade their educational attainment. In particular, the population with post-secondary qualifications grew at a 4.6% rate, while the number of those with a high school education or less declined.

As indicated in previous reports, education continued to be a major contributor to labour market success, as job growth rates increased in correlation to educational attainment. Due to the limited growth within the labour market, all groups experienced a decline in their growth rate over fiscal year 2001/02 in comparison to the average growth rate over the previous four reporting periods. However, those with post-secondary qualifications were the only ones to witness job gains. All others experienced significant declines, with the most dramatic being for those with less than high school, who experienced a decline of 2.7%.

Chart 9: Employment Growth for Those Older than 15 by Educational Attainment (%)



Immigration

The period of 1996 to 2001 was characterized by a historically slow population growth. Immigration is a critical aspect and a key strength of the Canadian labour market as it accounts for approximately three quarters of all employment growth. While educational attainment and labour market success are strongly linked for the majority of the population, the relationship does not hold for recent immigrants. In 2000, 58% of working age immigrants had a post-secondary education upon arrival, compared to 43% of the existing Canadian population. Despite their educational attainment, a lower share of immigrants aged 25-44 were employed compared to Canadian-born residents aged 25-44. Furthermore, the share of immigrants who were employed declined, while the share for Canadian-born remained stable. In addition, recent immigrants, particularly members of visible minorities, tend to experience higher rates of unemployment and lower average wages in comparison to other Canadians. They may often find themselves in a position that does not match their skills and formal credentials.

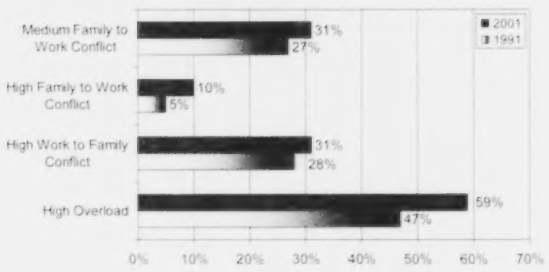
Work-Family Balance

Over the past decade, challenges in balancing work-life demands have increased, suggesting that a greater proportion of workers are

experiencing pressures in fulfilling their role of employee, parent, spouse, and caregiver. There are numerous aspects affecting work-family balance all contributing to the ever growing challenge. The work force continues to evolve with women's representation increasing and the demand for knowledge workers. An aging population places increasing pressures on the "sandwich" generation caught in between caring for their children and their elderly parents. In addition, technological advancements continue to reshape the way in which we work as attitudes around work continue to evolve.

A recent report[5] on work-family balance in 2001 in comparison to 1991 indicates that over the past decade there has been a decline in work-family balance. In fact, the survey found that there has been an increase within all aspects of work-life conflict (refer to Chart 10). It is also important to note that the average time devoted to work increased from 42 to 45 hours and that the number of employees reporting high job stress more than doubled from 13% to 27%. In addition, the amount of time employees with dependents spent in family activities declined from approximately 16 to just under 11 hours per week.

Chart 10: Comparison of Work-Family Outcomes: 1991 versus 2001



II. RECENT LEGISLATIVE CONTEXT

Introduction of the Employment Insurance (EI) program in July 1996 and January 1997 was the most significant restructuring of the program in 25 years. The EI Act implemented the reforms that replaced the former Unemployment Insurance (UI) program with the EI program. The 1996 reform was designed to promote greater labour force attachment through the introduction of stronger insurance principles. The basis for eligibility was switched from weeks to hours of work. Changes also included a new benefit structure and new rules for frequent claimants, as well as stricter eligibility requirements for new and re-entrants to the labour market. Elements of the program providing support to claimants in low-income families with children were also better targeted with the introduction of the Family Supplement.

A number of additional adjustments have occurred since the reform took place.[6] On May 10, 2001 Bill C-2 received Royal Assent introducing further modifications to EI legislation.[7] The intensity rule, which had been implemented to discourage repeat use of EI by reducing the benefit rate of frequent EI claimants, was eliminated, retroactive to October 1, 2000. The intensity rule had proven to be ineffective in discouraging repeat use and therefore had the unintended effect of penalizing claimants who faced limited opportunities for work.[8] The benefit repayment provision (clawback), initially introduced to reduce EI use by higher income repeat claimants, was adjusted to improve targeting and reflect changing economic realities, effective for the 2000 tax year. All first-time and special benefits claimants were exempted from the benefit repayment

[5] Linda Duxbury & Chris Higgins, *Work-Life Balance in the New Millennium: Where Are We? Where Do We Need to Go?*, Canadian Policy Research Networks, October 2001.

[6] For a more complete description of the evolution of EI, refer to Annex 1 of the *2001 Monitoring and Assessment Report*.

[7] Bill C-2, (originally introduced as Bill C-44), *An Act to Amend the Employment Insurance Act and the Employment Insurance (Fishing) Regulations* received Royal Assent on May 10, 2001. Bill C-2 also contained provisions to freeze Maximum Insurable Earnings (MIE) at $39,000 per year until the average earnings of the Industrial Aggregate reaches this level.

[8] Since the intensity rule was eliminated effective October 1, 2000, as such no claims established during the reporting period were affected by the intensity rule.

provision. Additionally, to simplify the structure of repayment and to ensure that these provisions were appropriately targeted to higher income earners, a single threshold for repayment was set at $48,750 of net income with a repayment rate of 30%, and the maximum repayment was limited to 30% for a person with a net income in excess of $48,750. Lastly, changes were made to extend the Monitoring and Assessment report to 2006.

Changes were also made to the re-entrant provision to make it more responsive to parents returning to the labour force following an extended absence caring for young children. Re-entrant parents who received EI maternity and/or parental benefits in the four years prior to the normal two-year "look back" period can now access regular benefits with the same number of hours as other regular claimants in their region. In addition, the *Employment Insurance Fishing Regulations* were adjusted retroactively to December 31, 2000, to allow self-employed fishers to access the enhanced maternity, parental and sickness benefits.

In 2001, there were two adjustments to the EI regulations. First, effective August 12, 2001, the calculation of undeclared earnings was modified to make it more equitable for claimants. Second, the Small Weeks pilot project became a national and permanent feature of the program on November 18, 2001.

On March 27, 2002 Bill C-49 received Royal Assent introducing modifications regarding access to special benefits. Parents of a newborn or newly adopted child who is hospitalized for an extended period now have a window of up to two years, instead of one year, to claim parental benefits. Effective April 21, 2002, this provides flexibility for parents who choose to wait until their child comes home from hospital before filing their claim. In addition, Bill C-49 changed both the period for claiming special benefits and the maximum number of combined weeks of special benefits from 50 to 65 weeks. Prior to Bill C-49, claimants could receive a maximum of 50 weeks of special benefits. Effective March 3, 2002, these provisions ensure full access to special benefits for biological mothers who claim sickness benefits prior to or following maternity or parental benefits.

III. SERVICE DELIVERY CONTEXT

HRDC is making increasing use of technology to make services more responsive to client needs. Canadians are using technology and they expect their government to do the same. Canadians want and expect choices on how to access services, increased electronic interactions and services relevant to their personal needs.

Businesses are also increasingly vocal about the impact of government requirements on their operations. They want government to reduce the administrative paper burden placed on them, with less costly, simplified and reduced information requirements.

Demographic pressures are also important to consider. The number of senior citizens is growing—by 2030 this group is expected to double and so will the workload at HRDC. The Department's work force is also aging and retiring. By 2015, labour force growth will be a third of the current growth rate and increasingly dependent on immigration.

Service delivery must evolve to adapt to what Canadians have come to expect from other institutions. International and domestic governments and the private sector are already responding to the need for service delivery change. Financial institutions are adopting service delivery approaches that include in-person, telephone and secure on-line transactions. Other governments are integrating service delivery improving accessibility and exploring new ways to reach and serve citizens.

In response to the challenge of serving Canadians better, HRDC is modernizing its services to create a strong client focus and to become the social face of the Government of Canada with Canadians. Modernizing Service for Canadians (MSC) is the three-year plan to help move HRDC from an organization based on programs and processes to one more focused on client needs. The MSC initiative ensures that HRDC's policies, programs and services are developed and provided to Canadians in a better, more responsive and more efficient manner. MSC is a long-term initiative that will have evolutionary and transformative results on every part of service delivery at HRDC. The overall objective is to move from an organization based on business lines, to improving integration across HRDC, and throughout all Government programs and services.

This chapter provides an overview of Part I Employment Insurance (EI) benefits under the EI Act. The first section, *Employment Insurance Clients*, provides a brief description of people who claimed EI benefits by examining various socio-economic and demographic characteristics. The second section, *Assisting Canadians in Facing the Risk of Unemployment*, examines income support provided to individuals who lose their jobs. The third section, *Supporting Working Canadians and their Families*, examines the role that EI special benefits plays in helping Canadians balance work-family responsibilities and labour market risks related to birth, parenting and illness. The impacts of key elements of EI reform and legislative changes that occurred during the reporting period are presented in Chapter 5. Throughout the chapter, data for 2001/02 is compared to 2000/01 data. Trends since 1995/96 are also discussed.

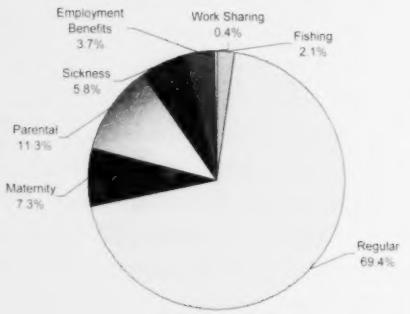
I. EMPLOYMENT INSURANCE CLIENTS

The EI program plays a key role in Canada's social safety net. Over the past 60 years, the EI program has been the main income security program for working Canadians. The core objective of EI is to provide temporary income support to insured Canadians who involuntarily lose their jobs. Over the years, the program has evolved recognizing that workers face other employment risks related to birth, parenting and illness.

Reflecting economic and labour market conditions in 2001/02, the number of EI clients increased significantly (10.0%) to 1.9 million and total benefits paid to them also increased significantly by 23.9% to $11.5 billion (refer to Chart 1). Average weekly benefits increased 2.6% to $304, up from $296 in 2000/01. As noted in Chapter 1, the economic downturn in the first three quarters of the reporting period translated into a significant increase in the number of EI clients during the first (14.1%), second (13.4%) and third quarters (13.2%). However, as the economy improved, the number of clients started to decline (-1.3%) in the final quarter of 2001/02.

Chart 1: Total Income Benefits 2001/02

$11.5 billion



Provincially, the number of clients increased significantly in Ontario (16.5%), Nunavut (12.9%), British Columbia (11.5%), Alberta (11.2%), Manitoba (8.9%), Quebec (8.0%) and Prince Edward Island (7.4%), with more modest increases in Newfoundland and Labrador (4.4%), Saskatchewan (3.8%), the Northwest Territories (2.3%), Nova Scotia (2.1%) and New Brunswick (2.1%). The Yukon was the only province/territory to experience a decline (-6.0%) in EI clients. It is interesting to note the regional distribution of participants in the program. The proportion of all clients in Atlantic Canada, Quebec, Ontario and Western provinces and Territories were 15.6%, 31.2%, 28.8%, and 24.5%, respectively. This regional balance demonstrates the EI program's importance across the country. It is also important to note that average weekly benefits varied by province, from $281 in Prince Edward Island to $368 in the Northwest Territories (refer to Annex 1.2), reflecting interprovincial variations in insurable earnings.

As in previous reporting periods, EI clients are more likely to work in the goods-producing sector, as the proportion of new clients within this sector was 40.7%, in comparison to a 25.5% share of the labour force. Moreover, a significant portion of clients (32.8%) were employed in the manufacturing and

construction industries, which only represent 20.6% of the labour force.

Women's participation in the program remained relatively stable at about 45% of EI claimants. The number of both female and male clients increased by about 10% in 2001/02, while benefits paid to them increased by 31% and 19%, respectively. While the increase in benefits paid to women can be traced to special benefits, the increase for men is related to regular benefits. Results show that men were particularly affected by the slowdown in the goods-producing sector and, specifically, in the manufacturing industry, with the number of male clients rising by 12.7%.

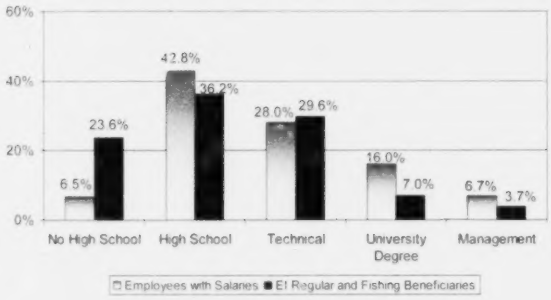
Results also indicate that youth (aged 25 and under) participation in the program increased by 7.8% in 2001/02. The number of older clients (aged 55 and over), also grew by 12.9% in 2001/02. These results are consistent with the labour market context presented in Chapter 1, where it was noted that the unemployment rates of youth and older workers increased during the reporting period.

Frequent claimants accounted for 34.7% of all regular and fishing claims in 2001/02, in comparison to 37.3% in 2000/01 and 39.3% in 1999/00.[1] While the proportion of frequent EI clients declined, the actual number of frequent clients remained relatively stable (+0.5%) at 524,794 (refer to Annex 1.7). The proportion of regular and fishing EI benefits paid to frequent claimants increased from 42.5% in 1995/96 to 43.3% in 1997/98. Since 1997/98, the proportion of regular and fishing EI benefits paid to frequent claimants has declined, to 37.5% in 2001/02.

Results show that a total of 187,320 clients from low-income families received higher weekly benefits through the Family Supplement[2] in 2001/02 (refer to Annex 1.13). The number of EI clients in receipt of the Family Supplement remained stable in comparison to the previous reporting period.

In Chapter 1, the growing importance of education and the increased demand for high skilled occupations were noted. It was also noted that higher levels of education were associated with lower unemployment rates and increased labour market resiliency. An examination of the occupational profile of EI regular and fishing clients is consistent with these findings. Chart 2 indicates that EI plays a much more significant role for workers with less education and those in non-managerial positions.

Chart 2: Skill Levels of EI Beneficiaries and All Employees with Salaries



II. ASSISTING CANADIANS IN FACING THE RISK OF UNEMPLOYMENT

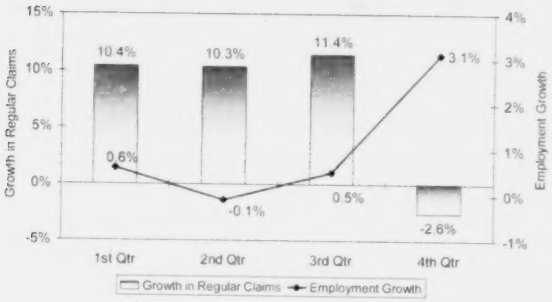
A key function of the EI program is to provide income benefits to Canadians who experience a temporary interruption in employment earnings because they lose their job. As such, when the economy experiences a downturn as it did during this reporting period, the EI program is designed to act as an automatic macro-economic stabilizer by replacing the income of Canadians who are in transition between jobs. The program is also specifically designed to be responsive to changes in local labour markets by adjusting entrance requirements and the duration of benefits when unemployment rates change in any of the 58 economic regions (refer to Annex 1.1).

[1] Frequent claimants are defined as claimants who have made three or more regular and/or fishing claims in the past five years.
[2] Refer to Annex 1 of the *2000 Monitoring and Assessment Report* for detailed information on the Family Supplement provision.

1. *Regular Benefits*

In 2001/02, the number of regular claims established under EI increased substantially (7.9%) to 1.48 million. The increase in claims is due to the economic slowdown, which started in the previous reporting period as indicated in the *2001 Monitoring and Assessment Report*. However, after significantly increasing in the first, second and third quarters, new claims declined by 2.6% in the fourth quarter (refer to Chart 3). As noted in Chapter 1, the decline in the number of claims in the fourth quarter can be traced to the recovery in economic conditions that occurred during the final quarter of the reporting period.

Chart 3: Growth in Employment and Regular Claims (2000/01 vs 2001/02)[3]



In 2001/02, the benefits paid to regular beneficiaries increased by 17.2%, from $6.8 billion to $8.0 billion (refer to Annex 1.4). The increase in benefits paid is due to the increase in the number of claims noted since the last quarter of the previous reporting period. The increase in benefits paid out can also be traced to a slight change in the average weekly benefit, which increased 2.7%, from $297 in the last reporting period to $305 in 2001/02.

New claims increased significantly in Ontario (14.9%), British Columbia (11.0%) and Alberta (9.7%), with more modest increases in Quebec (5.4%), Manitoba (5.2%), Nunavut (4.4%), Newfoundland and Labrador (3.5%), Saskatchewan (1.9%) and Prince Edward Island (1.8%). Claims remained relatively stable in New Brunswick and Nova Scotia and decreased in the Northwest Territories and Yukon in 2001/02. As mentioned in last year's report, the level of EI claims tends to be a leading indicator with changes in total unemployment generally following.[4]

As noted earlier, much of the increase in claims can be tied to the slowdown in the last quarter of 2000/01 and the first three quarters of the current reporting period. In 2001/02, claims in manufacturing industries increased by 7.1% across Canada and by 8.5% in Ontario, following an increase of 15.3% and 41.5% respectively in 2000/01. Transportation and storage (15.3%) and business service sectors (28.6%) also experienced a significant increase in claims during the first three quarters of the reporting period.

Claims by women increased by 6.9%, while men's claims increased by 8.6% in 2001/02. The smaller increase in women's claims reflects continued growth in the service-producing sector, in contrast with the small decline in the goods-producing sector. Men were particularly affected by the slowdown in manufacturing, where 72% of workers are male.

The strong labour market prior to the economic slowdown, which commenced in the final quarter of the previous reporting period, resulted in longer durations of insured employment prior to making a claim for regular benefits. Consistent with last year's report, there continued to be a significant increase (13.0%) in claims by individuals with long employment spells[5] during the reporting period. In 2001/02, there also was a modest increase (4.9%) in claims with medium

[3] Growth in regular claims represents a year-over-year average, while employment growth represents changes in employment from quarter to quarter.

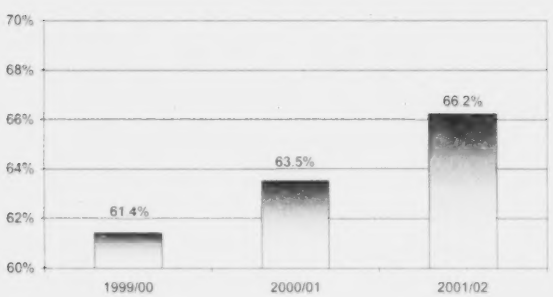
[4] Refer to Chapter 2 of the *2001 Monitoring and Assessment Report* for analysis on EI claim volume being a leading indicator.

[5] Claims with short employment spells are claims that just meet the entrance requirement, or have up to two weeks above the minimum entrance requirement. Claims with medium employment spells are claims that have more than two weeks over the entrance requirement, but less than six months over the minimum entrance requirement. Claims with long employment spells are claims that have at least six months more than the minimum entrance requirement.

employment spells, while claims for individuals with short employment spells decreased by 0.5% (refer to Annex 1.5).

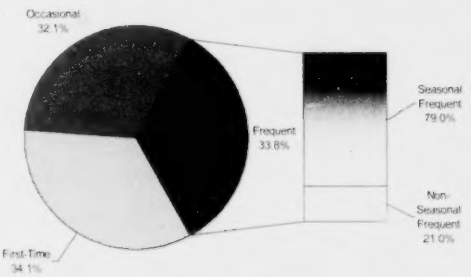
Overall, people who accessed regular benefits during the reporting period had worked more hours than in previous reporting periods. Evidence shows that the average number of insurable hours increased by 2.6% to 1,353 hours in 2000/01, which is consistent with the increase in the number of first-time (17.6%) and occasional claimants (7.6%).[6] This suggests that EI was accessed by individuals with strong prior work force attachment, who rely on the program less often. As a result of the increase in claims for first-time and occasional claimants, their share of claims increased during the reporting period from 63.5% to 66.2% (refer to Chart 4). In previous reports we noted that the volume of frequent claims is less likely to be influenced by fluctuations in economic cycles. Evidence in this report supports this view, as there were 499,660 frequent claims in 2001/02, almost unchanged (-0.1%) from 2000/01. However, frequent claimants' share of all claims (33.8%) and benefits paid out (36.1%) declined by 2.7 and 3.3 percentage points, respectively.

Chart 4: First-time and Occasional Claims as a Percentage of Regular Claims



Further, similar to previous reporting periods, almost 80% of all frequent regular claimants had a "seasonal" pattern of making claims (refer to Chart 5).[7] Men continued to file just over two thirds of all frequent claims. In 2001/02, seasonal frequent claims increased slightly by 0.1%, compared to a decline of 1.2% for non-seasonal claims. Increases in the number of frequent claims occurred in Newfoundland and Labrador (6.9%), Prince Edward Island (2.4%) and British Columbia (1.1%). The largest declines in frequent claims were in Alberta (-4.7%), and Manitoba (-2.6%).

Chart 5: Claims & Frequency of Use of Regular Benefits



In contrast to 2000/01, claims by young Canadians increased by 6.4% in 2001/02. This can be explained by the economic slowdown during the last quarter of the previous reporting period and the first three quarters of 2001/02 (an increase of 7.3%, 10.5%, 5.8% and 12.5% in claims for youth, respectively). Given their lack of seniority in the workplace, youth are usually one of the first groups to be affected during a slowdown.

As noted in Chapter 1, employment growth for older workers was strong, reflecting increased participation rates for these workers. Analysis reveals that in 2001/02, despite gains in employment, the unemployment rate for older workers rose, as their proportion of the labour force increased. As a result, EI regular claims by older workers (aged 55 and over) increased by 11.3%. It is important to note that the quarterly pattern of claims by older workers mirrors national trends, with claims increasing

[6] Insured hours in 2000/01 were examined to reflect the fact that claims established in 2001/02 were based on insurable employment in the previous year.

[7] Individuals who started previous claims at about the same time of the year as their current claim are considered seasonal claimants.

by 14.5%, 12.7% and 14.2% in the first three quarters respectively, but then rising only slightly (1.3%) in the final quarter of the reporting period.

2. *Work Sharing*

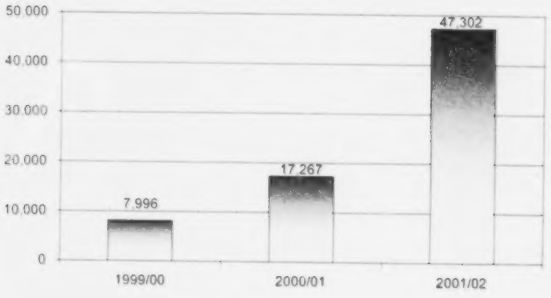
Work Sharing is designed to help employers and employees avert temporary layoffs. The program provides income support to workers eligible for EI benefits and who are willing to work a temporarily reduced work week when there is a reduction in the normal level of business activity beyond the control of the employer.[8] Work Sharing agreements can range from 6 to 26 weeks and are approved by employee and employer representatives and by the EI Commission. Work Sharing agreements must have the support of the firms and the employees involved, and can be extended to a maximum of 38 weeks.

The program benefits employers by allowing them to stabilize their work force, to retain trained employees and to avoid the costly process of recruiting and training new employees when business returns to normal levels. Employees benefit by remaining employed while being compensated for the days without work. It should be noted that if the worker is laid off subsequent to Work Sharing, his/her entitlement to EI regular benefits is unaffected by the receipt of Work Sharing benefits.

Administrative data shows that the Work Sharing program is counter-cyclical, that usage increases as unemployment rates increase. The program is used more intensively during periods of economic downturn and less intensively during periods of economic recovery and growth. Results show that use of Work Sharing increased significantly in 2001/02, reflecting the economic slowdown in 2001/02 as described in Chapter 1. It is also important to note that in 2001/02, three-quarters of the Work Sharing claims commenced during the second half of the reporting period, which can be traced to the events of September 11th. In fact, the transportation industry, which signed the largest Work Sharing agreement, made extensive use of the program during the reporting period. Nonetheless, during the reporting period, many Work Sharing agreements were signed by various industries across Canada.

Chart 6 indicates that in 2001/02, there were 47,302 new Work Sharing claims across various industries, representing an increase of 174% from the previous reporting period. Analysis indicates that two-thirds of Work Sharing program participants came from the manufacturing industry. The high concentration of manufacturing firms in Quebec and Ontario partly explains why workers in these two provinces make up a significant proportion of Work Sharing participants.

Chart 6: New Work Sharing Claims



3. *Fishing Benefits*

The Canadian fishing industry is a highly regulated sector. The industry is generally located in communities where there are limited employment opportunities. Fisheries and Oceans Canada determines the season, the size of the catch and the species to be harvested. Over the last decade, the commercial fishery has shifted from ground fish (e.g. cod) to higher value added species such as lobster, crab and shrimp.

[8] For more information on the Work Sharing program, please refer to the Human Resources Development Canada Web site at http://www18.hrdc-drhc.gc.ca/programs/WorkSharing/desc.asp

Although fishing claims represent only 1.4% of all EI claims, they play an important role in supporting communities that depend on the fishing industry. In 2001/02, there were 30,552 fishing claims, representing an increase of 8.2% or 2,323 claims over the previous reporting period (refer to Annex 1.6) and the second consecutive year that claims have risen. Claims increased in all major fish-producing provinces, with a substantial increase in Prince Edward Island (23.9%) and more moderate increases in Nova Scotia (7.4%), British Columbia (6.6%), Newfoundland and Labrador (6.2%), Quebec (5.5%) and New Brunswick (4.4%).

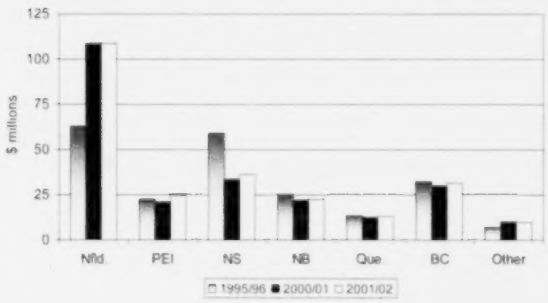
It should be noted that legislative changes following the passage of Bill C-12 made it possible for fishers to establish two claims for benefits during the same year. At the time of introducing the new regulations, not all fishers were aware of the possibility of establishing two claims during the same year and have subsequently requested that prior fishing claims be retroactively adjusted—often referred to as fishing antedates. The retroactive adjustments of prior fishing claims are processed manually and as a result the additional claims for the prior years are not captured within EI administrative data.

The administrative process of informing fishers and manually adjusting prior fishing claims has been undertaken on a regional basis. It is important to note that regions are at various stages of making the necessary adjustments. For instance, the Quebec region made adjustments to prior fishing claims in 2000/01. As a result, the volume of fishing claims in Quebec increased by 50% in 2000/01, as reported in the *2001 Monitoring and Assessment Report*. Similarly, the PEI region made adjustments in 2001/02 and the volume of fishing claims increased substantially (23.9%). Adjustments to prior fishing claims in the remaining regions are ongoing and as such, increases similar to Quebec and PEI are likely to be witnessed in future reporting periods.

In 2001/02, 96.2% of fishing claimants qualified with more than $5,500 in insured earnings, essentially unchanged from 97% in the previous reporting period. In fact, the vast majority of fishers have earnings that are well above the new-entrant and re-entrant threshold, reflecting the ease with which fishers can qualify for benefits. Further, average weekly benefits for fishers increased by 0.7% (or $3) to $380. This is about 25% higher than average weekly regular benefits of $305 and reflects the fact that fishers generally earn their annual income over a relatively short period of time and therefore have higher weekly earnings than other workers.

Fishers received $246.9 million in EI fishing benefits in 2001/02, an increase of 4.8% from 2000/01, reflecting the rise in the number of fishing claims. Chart 7 shows that total fishing benefits paid increased in all of the major fish-producing provinces. The most significant increases in fishing benefits paid occurred in Prince Edward Island (19.7%) and Nova Scotia (9.0%). Average weekly benefits increased moderately in all provinces with major fisheries except Newfoundland and Labrador, where average weekly benefits slightly declined (-1.3%).

Chart 7: Fishing Benefits Paid



Fishing claims by men increased by 7.8%, from 23,828 to 25,677, while claims by women increased 10.8%, from 4,401 to 4,875. As noted in last year's report, this suggests a continuous trend of increased participation by women within the industry.

In 2001/02, frequent claimants made up 82.3% of fishing claims, up from 77.1% in 2000/01. Frequent claims increased by 15.5% in 2001/02, following a 14.6% increase in 2000/01. It should be noted that this represents the third consecutive increase in claims made by frequent claimants. Provincially, substantial increases in frequent claimants were observed in Prince Edward Island (26.8%), Newfoundland and Labrador (22.6%) and Nova Scotia (12.7%). Small increases were also noted in Quebec (5.6%), New Brunswick (4.2%) and British Columbia (1.5%).

III. SUPPORTING WORKING CANADIANS

1. Overview

As highlighted in Chapter 1, Canadians continue to face the challenge of balancing work and family responsibilities. Research indicates that over the past decade work-life conflict has increased significantly, suggesting that a greater proportion of workers are experiencing greater challenges in balancing their roles of employee, spouse and parent. In addition to family responsibilities related to caring for children, many Canadians are also caring for their elderly parents. The proportion of Canadians caught in this "sandwich generation" has increased from 9.5% to 15% in the past decade.[9] And within the context of the aging population, more and more Canadians are expected to be faced with increasing family responsibilities.

The EI program provides three types of special benefits designed to support workers when they experience an interruption of earnings due to illness, childbirth or parenting. Maternity benefits are payable to biological mothers for work missed as a result of pregnancy and childbirth, parental benefits are payable to both biological and adoptive parents due to a separation from work to care for a newly born or adopted child, and sickness benefits are payable to claimants who are unable to work due to illness or injury. Further, the Government has made a commitment to ensure that Canadians can provide compassionate care for a gravely ill or dying child, parent or spouse without putting their jobs or incomes at risk.

As indicated in the *2001 Monitoring and Assessment Report*, effective December 31, 2000, changes were made to enhance the duration, flexibility and accessibility of parental benefits.[10] Thus, the 2002 Report represents the first full reporting period[11] during which enhanced parental benefits were paid.

In 2001/02, there were 465,920 new special benefit claims, an increase of 9.5% from 2000/01 (refer to Annex 1.8). As in previous years, women continue to account for almost three-quarters (72%) of all special benefits claims, while approximately 12.3% of special benefits claims were made by youth, approximately the same proportion as last year. In 2001/02, the average number of weeks paid for special benefits increased by 6 weeks, averaging 25.6 weeks compared to 19.7 weeks in 2000/01. This increase can be traced to the enhancement of parental benefits.

Total special benefits payments increased by $980.9 million or 53.6% to $2.8 billion, reflecting changes made to parental benefits in 2000. As a result of the increase in parental entitlement (35 weeks), special benefits paid as a proportion of total income benefits increased to 24.4% from 19.7% in 2000/01 and 13.6%

[9] Judith L. MacBride-King & Kimberley Bachmann, *Is Work-Life Balance Still an Issue for Canadians and Their Employers? You bet It Is!*, The Conference Board of Canada, June 1999.

[10] Duration of parental benefits was increased from 10 to 35 weeks. Accessibility was also improved by reducing the entrance requirement for all special benefits from 700 to 600 hours of insurable employment. Finally, flexibility was improved by allowing parents sharing benefits to serve only one two-week waiting period; and by allowing parents to earn the greater of $50 or 25 percent of their weekly parental benefits without losing benefit dollar for dollar.

[11] Results on parental benefits vary slightly from the results made public on November 6, 2002. The 2002 Report publishes data on a fiscal year basis, while the results made public in November are on a calendar year basis.

prior to EI reform (1995/96). Similarly, for the first time, the proportion of total special benefit payments paid for parental benefits (46.3%) exceeded maternity benefits (30.0%). The average weekly benefits for all special benefits paid increased by 2.3% to $287. It should be noted that, effective tax year 2000, special benefits were exempt from the benefit repayment provision.[12]

2. *Maternity Benefits*

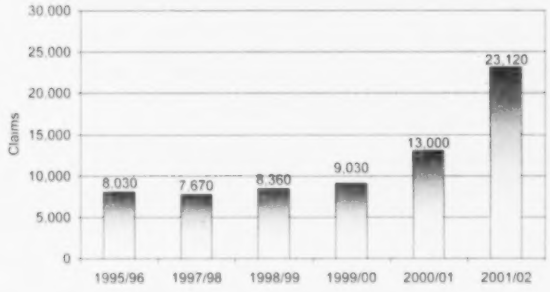
Claims for maternity benefits increased significantly in 2001/02, increasing by 9.9% from 175,620 to 193,020. Total payments for maternity benefits were $842.9 million, up 15.8% from 2000/01, and the average weekly benefit for all maternity claims was $294, an increase of 2.6% from 2000/01. The average number of weeks for which maternity benefits were paid remained stable at 14.6 weeks or 97.3% of their entitlement (15 weeks).

The increase in maternity claims can be traced to the reduction in the required hours of insurable employment from 700 to 600 hours, as well as a greater representation of women in paid insurable employment. In 2001/02, there were about 7,550 individuals who qualified for benefits as a result of the reduction in the entrance requirement.

3. *Parental Benefits*

Claims for biological and adoptive parental benefits increased 17.7%, from 179,560 to 211,270, representing the second year that parental claims have exceeded maternity claims. This is significant because it indicates that parents are increasingly sharing their benefits. Of particular note is the significant increase in biological parental claims by men. In 2001/02, men's claims for biological parental benefits increased by 77.8%, from 13,000 to 23,120 (refer to Chart 8). In 2001/02, total payments for parental benefits increased by $814.2 million or 167.3% to $1.3 billion, reflecting the enhancements made to parental benefits. The average weekly benefit for biological parents was $306, an increase of 3.1%. Average weekly benefits for adoptive parents increased 2.3% to $351.

Chart 8: Male Parental (Biological Claims)



Parents are taking advantage of the enhanced duration by collecting benefits over longer periods. Evidence indicates that the average weeks for which parental (biological) benefits were paid was 28.2 weeks[13] or 81% of their entitlement, up from 9.5 weeks in 2000/01. When combined with maternity benefits and the waiting period, it can be said that parents are using 86.2% of the full year available to them. Adoptive parents in receipt of parental benefits were on claim for an average of 27.9 weeks or 79.8% of their entitlement (35 weeks), up from 12.2 weeks or 81.6% of their entitlement (15 weeks) in 2000/01.

Although results indicate increased sharing between parents, women continue to be the primary caregiver. The majority of new parental claims in 2001/02 was for women (88.8%), marking a moderate decline from 92.7% in 2000/01. Further, females in receipt of parental leave were on claim for an average of 29.7 weeks, while males were on claim for 15.0 weeks. It is worth noting that while the proportion of EI parental claims and benefits

[12] Prior to the passage of Bill C-2, special benefits claimants with a net income above $48,750 were required to repay 30% of their net income above the threshold or 30% of benefits, whichever is less. For more information on the benefit repayment provision, refer to Chapter 5.

[13] To ensure that the analysis of weeks paid is based on completed claims, the data covers all claims commencing during the first half of the reporting period.

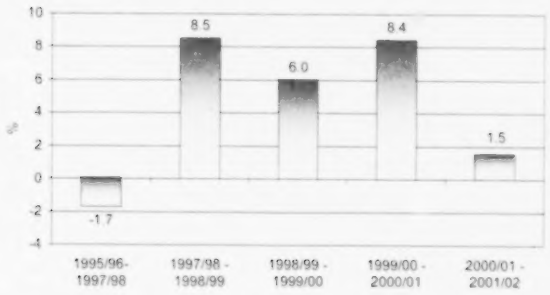
paid to women continues to be high, the proportion has been declining since EI reform, with the most significant decline during 2001/02.

While the enhancements to parental benefits appear to be providing the needed support to families, it should be noted that 2001/02 was a transition period from the previous parental benefits regime and not all claims that started during the reporting period were completed. The use of parental benefits will continue to be monitored as the enhanced regime reaches full maturity in 2002/03.

4. *Sickness Benefits*

In 2001/02 the number of sickness claims (256,580) increased by 1.5% in comparison to the previous reporting period (refer to Chart 9). Total payments for sickness benefits increased 8.4% to $667.0 million. The increase in benefits paid reflects the fact that claims increased 6.9% in the fourth quarter of the previous reporting period and, therefore, a large proportion of benefits associated with these claims were paid in the current reporting period when claims were completed. The average weekly benefit level for sickness claims was $271, an increase of 1.0% over 2000/01. The average number of weeks for which sickness benefits were paid remained stable at 9.4 weeks, or 62.7% of entitlement.

Chart 9: Growth in Sickness Claims



During the reporting period, sickness claims remained stable for women at 149,010 (+0.1%) compared to an increase of 3.6% (107,570) for men. Although women continue to account for the majority of sickness claims, their share of claims declined 0.8 percentage points to 58.1%. Claims declined for both youth (-1.0%) and prime-aged workers (-3.3%), while claims increased by 9.5% for individuals 45 and over, reflecting the higher incidence of illness within this age category.

In a continuous effort to monitor the use of sickness benefits, an analysis using EI administrative data and historical labour market trends was conducted for each of the last three reporting periods. In the last reporting period, results indicated that a majority of the increase in sickness claims since EI reform was attributable to "pure" sickness claims, that is, claims that are not combined with regular or maternity/parental benefits. This result suggests that the growth in sickness claims was attributable to fundamental labour market trends. In fact, the analysis revealed that most of the growth in pure claims since EI reform could be attributed to a combination of growth in paid-employment, an aging population and year-to-year volatility in claims.

In the previous reporting period, it was indicated that the remainder of the increase was attributable to rising "mixed claims," or sickness benefits claims in conjunction with either regular or maternity/parental benefits. However, mixed claims declined by 0.5% during this reporting period. As indicated in last year's report, the parental benefit enhancements have caused mixed maternity/parental claims to stop growing given the additional duration provided under the enhanced parental benefits. In fact, a recent COEP study[14] confirms that the introduction of enhanced parental benefits reduced the likelihood of claiming sickness benefits in conjunction with maternity/parental benefits. The use of sickness benefits will continue to be monitored in the future.

[14] Forthcoming study – *Usage of Sickness Benefits*, HRDC.

IV. SUMMING UP

Chapter 2 indicated that there was a substantial increase in the use of income benefits during this reporting period. This increase can be traced to both regular and special benefits.

As indicated earlier, the core function of regular benefits is to provide income support to Canadians who are unemployed. It was observed that regular claims and benefits paid increased in response to the economic downturn experienced during the first three quarters of the reporting period. However, the increased use of regular benefits slowed down as the economy started to recover with Gross Domestic Product (GDP) and employment growing respectively by a solid 6.0% and 3.1% during the last quarter of the reporting period.

Special benefits are paid to Canadians to help them face employment risks related to birth, parenting and illness and to help them balance work-family responsibilities. Special claims and benefits paid increased substantially during the reporting period as this was the first full reporting period that enhanced parental benefits were in place. The overwhelming response of Canadians in accessing maternity and parental benefits served to underscore the importance of the other fundamental role of the program, which is to support Canadians in balancing work and family responsibilities.

Results presented in this chapter will be explored more closely in Chapter 5 as the impacts of the EI program on the economy, individuals, and communities are examined. Specifically, Chapter 5 will report on numerous outcome indicators such as those related to access and coverage, income adequacy, and work force attachment.

Activities funded under Part II of the *Employment Insurance* (EI) *Act* represent important contributions to building the skills of Canadians and enabling people to learn what will help them to obtain and maintain employment. These activities also encompass services that help improve the functioning of the Canadian, provincial and territorial labour markets. Such activities include services provided by the National Employment Service (NES) and Employment Benefits and Support Measures (EBSMs). They also include similar benefits and measures in regions where responsibilities have been transferred to provincial or territorial governments under Labour Market Development Agreements (LMDAs)[1] and to Aboriginal groups under the Aboriginal Human Resources Development Strategy (AHRDS). Throughout this chapter, data for 2001/02 are compared to data for 2000/01, unless otherwise noted.[2] References to EBSMs include similar benefits and measures delivered by provinces and territories.

During 2001/02, the slowing of the economy resulted in an increased demand for Part II funded activities, which is reflected in the number of clients served. This, combined with the growing demand for skilled workers, resulted in increased use of Part II funded programs and services.

I. OVERVIEW

1. *NES*

The National Employment Service was established to help workers find suitable employment and employers find suitable workers. It also provides assistance such as career counselling, résumé writing, guidance on job search techniques, access to labour market information (LMI) and other support measures, discussed below.

2. *EBSMs*

Employment Benefits and Support Measures (EBSMs) refer to the active benefits and measures established under Part II of the EI Act.[3] Under section 63 of the *Employment Insurance Act*, provinces and territories that have taken on the responsibility for EBSMs under Labour Market Development Agreements with the Government of Canada may choose to address skill, related learning and other employment needs by offering programs that are similar to EBSMs. Those governments are responsible for designing and delivering their programs. Aboriginal organizations also deliver similar programming under Aboriginal Human Resources Development Agreements.

There are four main Employment Benefits: Targeted Wage Subsidies (TWS); Self-Employment (SE); Job Creation Partnerships (JCP); and Skills Development (SD). In general, all involve long duration interventions with clients and are referred to as employment programs. A fifth Employment Benefit, the Targeted Earnings Supplement, was not used in 2001/02 but Quebec used its Supplément de retour au travail (SRT), which was a similar, short duration intervention.

There are three Support Measures: Employment Assistance Services (EAS), Labour Market Partnerships (LMP), and Research and Innovation (R&I). EAS is a short duration intervention for individuals and is categorized as an employment service. The other two, LMP and R&I, are mechanisms through which general assistance can be provided to partners. More information on LMP and R&I can be found in the pan-Canadian section later in this chapter.

Individual Counselling and Employment Group Services, which are delivered by the National Employment Service, are also short in duration

[1] Please refer to Annex 2.2 for more information on LMDAs.
[2] Numbers quoted throughout this report may differ from those published in HRDC's Departmental Performance Report (DPR). The DPR is based on information available at the end of September and does not necessarily reflect year-end figures.
[3] The EBSMs are described in detail in Annex 2.2.

and are considered employment service interventions.

3. Eligibility

To be eligible for Employment Benefits funded through the EI Account, individuals must be unemployed and have a current EI claim, "active EI client," or a claim that ended in the preceding three years, "former EI client." Those who began a maternity or parental claim in the preceding five years, after which they left the labour market to care for their newborn or newly adopted children, also qualify as former EI clients and are eligible for Employment Benefits upon re-entry into the labour market. Unemployed individuals who are neither active nor former EI clients are considered "non-insured" and are eligible only for those employment services available under the EAS support measure or other employment services provided by the NES.

4. Priorities and EBSM Use

In all jurisdictions there is a clear recognition of the growing demand for more skilled workers. By 2004 it is projected that 70% of all new jobs in Canada will require some form of a post-secondary education and only 6% of new jobs will go to people who have not finished high school. Despite this, nearly eight million adult Canadians have low or very low literacy levels. Employers routinely draw attention to specific skills and job vacancies that they cannot fill. Those facts, combined with the needs of specific groups and communities, led to significant investments in activities designed to enable individuals to build their skills and position themselves to meet the needs of employers.

Planning and decisions during the year reflected broader economic trends that were noted in Chapter 1. In particular, while employment increased in 2001/02, it was at a slower rate than in 2000/01. The events of September 11th resulted in job losses in sectors such as air travel, leading to more people requiring assistance. Between January and March 2002, the Canadian economy began to generate a significant number of jobs.

In general, although there may be slight variations of these priorities, an assessment of the 2001/02 annual plans for different regions provides four regional/provincial/territorial priorities that were common to most jurisdictions.

These factors influenced the two common, ongoing priorities for meeting the needs of individuals:

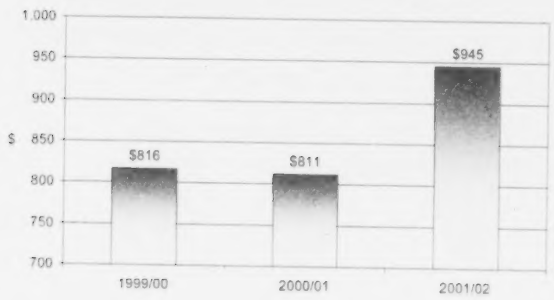
- helping individuals receive the proper training for the right jobs, including self-employment (i.e., helping individuals to determine what is appropriate for them given their interests, aptitudes, abilities and the labour market outlook for the occupation of interest); and
- addressing the needs of individuals that are at the greatest risk (i.e., becoming dependent on social assistance or presently having no attachment to the labour market and/or no income support).

The ongoing effort to ensure effective, accountable responses to skill needs in Canada's labour market was also incorporated into two additional priorities across all jurisdictions:

- providing timely and accurate labour market information; and
- ensuring that the diverse needs of individuals are met through an appropriate balance of employment benefits and support measures.

An example of how these priorities have been applied is the growth of Part II spending on the Skills Development program. Expenditures on SD have increased by over $100M since 1999/00 (refer to Chart 1).

Chart 1: SD Expenditure (M$)



Different jurisdictions refine their priorities to reflect their specific economic contexts, which includes balancing the needs of individuals with labour market conditions. For example, in Alberta where the unemployment rate is low, SD (apprenticeship) is used mainly to increase the skills of workers. The very active labour market in Ontario has led to significant demand for labour exchange activities, such as those supported under the Employment Assistance Services Support Measure.

5. Clients

In 2001/02, 570,200 individuals were served by the staff of Human Resources Development Canada, a provincial or territorial department or agency, or an organization with an Aboriginal Human Resources Development Agreement.[4] This number does not include individuals who used self-serve options. Individuals aged 30 and over accounted for over 60% of those served. Individuals age 45 and over received 21.7% of all interventions. Women accounted for 43.1% of clients served (refer to Annex 2.3). On average, each individual took part in 1.39 interventions.

During the reference period, the number of clients served through EBSMs increased by 24.5%. This can be linked to the 7.9% increase in regular claims over the same period. While the number of active EI claimants increased by 24.5% to 356,249, the proportion of clients served that were active remained stable at 62.5%.

Table 1
EBSM Clients served by client types

	2000/01	2001/02	Variance
Active EI Clients	286,184 (62.5%)	356,249 (62.5%)	+70,065 (+24.5%)
Former EI Clients	79,747 (17.4%)	73,487 (12.9%)	-6,260 (-7.8%)
Non-EI Clients	91,908 (20.1%)	140,464 (24.6%)	+48,556 (+52.8%)
Total	457,839 (100%)	570,200 (100%)	+112,361 (+24.5%)

During the same period the number of former claimants declined 7.8% to 73,487, which translated into a relative decline of 4.5 percentage points to 12.9% of all clients served.

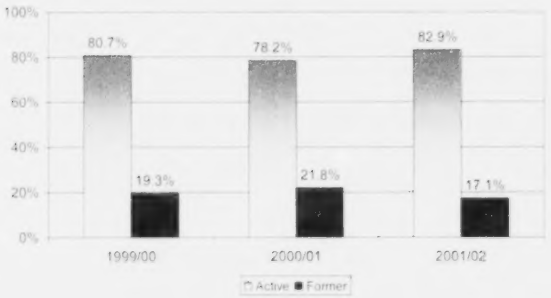
Conversely, the share of non-insured clients served increased by 4.5 percentage points to 24.6% (refer to Table 1 and Annex 2.4). That rise to 140,464 reflected an increase of 48,556 clients (52.8%). This change stems mainly from a clarification provided by HRDC for reporting this type of client when they participate in EAS or Counselling interventions funded under Part II, rather than a real shift in client types. This improved reporting has mainly affected the number of non-insured clients recorded for Quebec, which is almost four times that reported in 2000/01. Other factors contributing to the increase in non-insured include implementation of mechanisms to gather third party data and improvements to existing data capture by third parties. Compatibility of data capture methods between HRDC and the jurisdictions remains a challenge in some cases.

As shown in Chart 2 (which excludes non-insured clients), active claimants represent a much larger proportion of the EI clients served under Part II. Several factors or issues that may be contributing to this service pattern have been identified and will require further analysis and research. At present, these include: the timing of service (the point in a claim when a client receives assistance); referral processes between regional, provincial and territorial

[4] As a result of a methodology adjustment, overall client counts and related interventions in the current report may be slightly higher (4-5%) than those numbers presented in the *2001 Monitoring and Assessment Report*. The impact of this does not significantly affect the analysis presented here.

offices; data capture as it relates to former claimants; a possible focus on active claimants to achieve unpaid benefits; and finally, determining what should be considered the appropriate balance between active and former claimants. It is expected that data resulting from the summative evaluations (refer to Section III for additional information) will shed greater light on this issue and should allow for a better understanding of service to both the active and former claimant groups. As such, this will be addressed in future reports.

Chart 2: Client Distribution



6. *Designated Groups*

Nationally, the participation level of all designated groups remained within a percentage point of that reported in 2000/01 (refer to Table 2 and Annexes 2.5-2.8). Variations noted from one year to the next are not unexpected, given the practice of self-identification but the data can provide a general indication of trends in designated group participation.

Table 2
Designated Group Participation in EBSM Interventions*

	2000/01	2001/02	Variance**
Women	45.5%	44.6%	-0.9
Persons with Disabilities	3.7%	3.8%	+0.1
Aboriginal Peoples	7.1%	6.6%	-0.5
Visible Minorities	5.2%	5.1%	-0.1

* Based on data contained in Annexes 2.5-2.8
** Calculated in percentage points

The participation of designated groups in programs and services, and the changes between 2000/01 and 2001/02 are as follows:

Employment Programs

- The participation of women in programs decreased by 2.6 percentage points to account for 35.7% of program interventions. It is important to point out that apprenticeship data (where the participation of women and men is historically quite different) acts to lower the overall participation of women in employment programs. Without apprenticeship data the participation of women in programs is approximately 44%.
- The remaining designated groups were stable:
  - Persons with Disabilities – 2.3% (-0.1 percentage points);
  - Aboriginal Peoples – 2.5% (-0.4 percentage points); and
  - Visible Minorities – 2.8% (+0.3 percentage points).

Employment Services

- The participation of women declined 1.2 percentage points to 47.8%.
- The participation of Aboriginal peoples decreased by 1.2 percentage points to 5.1%.
- The remaining designated groups were stable:
  - Persons with Disabilities – 4.4% (0.0 percentage points); and
  - Visible Minorities – 6.0% (-0.6 percentage points).

Noteworthy in 2001/02 designated group data is the participation of women in the Skills Development benefit. As a result of separating Apprentices from regular SD clients the participation of women in regular SD interventions is now recorded as 44.9%, compared to 35.0% in 2000/01, prior to the

separate reporting of apprentices. Conversely, women represent 4.3% of apprentice clients.

During 2001/02 men and women were affected differently by the downturn in the labour market. The slight decreases in the percentage of female EBSM clients and interventions may be linked to increased demand in the service sector, where traditionally more women are employed, and a decrease in the manufacturing sector, where traditionally more men are employed. This would act to increase the number of men seeking service through EBSMs, which decreases the proportional representation of women.

7. *Interventions,[5] "Other" Assistance and Tools*

"Interventions" include the full range of employment programs and employment services that are provided under EBSMs. In general, employment programs are longer in duration than employment services. The interventions reported are those that began between April 1, 2001 and March 31, 2002.

In 2001/02, 795,300 interventions started, compared to 619,402 in 2000/01. Employment services accounted for 74.6% of these interventions. Employment programs and interventions under pan-Canadian activities accounted for 23.3% and 2.1%, respectively. Pan-Canadian activities are explained in greater detail below (Table 3 and Annex 2.9 provide detailed intervention information).

Employment Programs

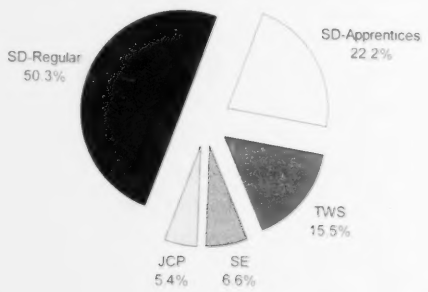
More employment programs started in 2001/02 than in 2000/01, 185,322 compared to 182,643. A large part of this increase is attributable to Ontario. However, proportionally, the use of employment programs decreased 6.2 percentage points to 23.3%, compared to 29.5% in 2000/01. A proportional decrease occurred in all jurisdictions except Newfoundland and Labrador and Nova Scotia. This proportional decrease is, to a large extent, due to the increased use of services rather than a decrease in the use of programs.

Table 3
EBSM Interventions

	2000/01	2001/02	Variance
Employment Program Interventions	182,643 (29.5%)	185,322 (23.3%)	+2,679 (+1.5%)
Employment Service Interventions	424,387 (68.5%)	593,437 (74.6%)	+169,050 (+39.8%)
Pan-Canadian Interventions	12,372 (2.0%)	16,541 (2.1%)	+4,169 (+33.7%)
Total	619,402 (100%)	795,300 (100%)	+175,898 (+28.4%)

As shown in Chart 3, SD remained the most commonly used program, which shows the strong interest that clients and governments have in increasing skills to meet more competitive labour market demands. Nationally, regular SD and SD Apprentices accounted for 72.5% of program interventions, compared to 71.5% in 2000/01. Regionally, SD use varied from a low of approximately 61% to a high of approximately 87% of employment programs.[6]

Chart 3: Employment Program Distribution by Intervention



Analysis of 2001/02 data at the national level indicates that, overall, Part II expenditures related to SD increased by approximately 17%. The number of interventions started during the

[5] Note that interventions are not representative of the number of clients (individuals) served. For example, one client may have two different interventions, thus resulting in a client count of one but an intervention count of two.

[6] NWT data shows SD use as representing 91% of program interventions but given the small client base it was not included in this analysis.

year also increased but by a smaller amount, approximately 3%. This implies greater expenses for fewer clients.

To explain this, some jurisdictions have indicated that individuals are participating in longer SD interventions to gain more skills and become more competitive in the knowledge economy. This would mean that SD expenses would carry over from one year to the next whereas the associated intervention count would only be counted in the year in which it started. It should also be noted that the costs associated with SD interventions are affected by factors such as higher tuition costs and cost of living increases for individuals taking part in programs. Further, in some jurisdictions, active EI clients are receiving service later in their claim. This could cause Part II expenditures to increase, as claimants would have fewer Part I benefits to draw on while on training.

Apprenticeship

During 2001/02, slightly more than 22% of the new start interventions recorded under employment programs were apprentices. Apprenticeship training under SD allows active EI claimants to become certified journeypersons in trades that are identified by the provinces and territories. For example, in Manitoba, a 32-week program funded through EI Part II trained workers in motor vehicle repair.

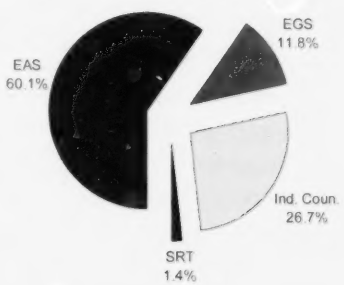
Apprenticeship activities meet an important demand for highly skilled workers in trades, many of which face the challenge of a rapidly aging work force. People who complete their apprenticeships have skills that help them to stay employed. Employers also benefit from apprenticeship, as it can be used as a way to ensure that the skill sets they require are available in an aging work force.

Funding for apprentices comes mainly from Part I. Individuals receiving EI Part I who take part in the classroom portion of apprenticeship training are given referrals under the authority of section 25 of the EI Act so that they can continue to receive Part I benefits while apprenticing. In addition to Part I income benefits, depending on the model adopted by jurisdictions, apprentices may receive Part II support to cover additional expenses, such as travel. Although individuals are responsible for paying their own tuition costs, it should be pointed out that agreements, which vary from region to region, are in place with the provinces/territories to cover certain expenses. In some jurisdictions apprentices are included in these agreements.

Employment Services

In 2001/02, there were 593,437 employment service interventions, an increase of 39.8%. This increase is partially attributable to the aforementioned clarification surrounding the reporting of non-insured clients. This increase in non-insured clients acts to increase the number of service interventions delivered. As a result of this, services also increased as a proportion of all new interventions started, to 74.6% in 2001/02 compared to 68.5% in 2000/01. The increase in services also somewhat reflects the increase in regular claims. Clients taking part in services are generally job ready and are best assisted through this type of intervention. This emphasizes the importance of this type of intervention in assisting recently unemployed job ready clients. As shown in Chart 4, EAS accounted for over half of the employment services.

Chart 4: Employment Services Distribution by Type



The largest increases in employment service use occurred in Quebec, Ontario, Manitoba,

Saskatchewan and British Columbia. This reflects the increase in non-insured clients described above, as these individuals were only eligible for employment services. The increase in Saskatchewan is the result of a resolution of a data exchange issue pertaining to Individual Counselling. Data for Saskatchewan in the previous reporting period was incomplete. Newfoundland and Labrador and Nova Scotia were the only jurisdictions that reported declines in the use of employment services.

Pan-Canadian Activities

Some pan-Canadian activities also address the skill needs of specific designated groups. In particular, the 16,541 pan-Canadian interventions during 2001/02 were under the Aboriginal Human Resources Development Strategy (AHRDS), which receives approximately one quarter of its total funding from EI Part II. The remainder of AHRDS funding comes from the Consolidated Revenue Fund. Individuals served under the AHRDS take part in programming similar to EBSMs. Under the AHRDS, HRDC negotiates agreements with Aboriginal organizations to give them the authority to design and deliver programs and services that reflect and serve Aboriginal needs for skills, learning and related services at the community level.

Other pan-Canadian activities, such as those funded under LMP, may be used to support interest specific groups (i.e. employers and unions) that have come together to address common human resource issues, such as skills shortages. The Sectoral Partnerships Initiative (SPI) is an example of this type of activity that supports partners representative of sectors ranging from Biotechnology to Automotive Repair and Service. The SPI also focuses on the development of sectoral career information. The target group for these activities is young people who are exploring their potential opportunities and the skills and learning needed for them, as well as the counsellors and parents who offer them advice.

Youth also receive funding in support of the Youth Awareness initiative, which includes human resource management and planning activities to help employers and communities prepare for and meet the requirements of the labour market.

Research and Innovation pan-Canadian projects fund activities that identify better ways of helping people prepare for or keep employment and be productive participants in the labour market. R&I projects must have a research design. During 2001/02, activities included projects to test the use of Employment Insurance funds to enhance the employability of individuals and test the effectiveness of providing financial assistance incentives for low-income Canadians.

NES Activity

Activities that support NES include maintaining the Job Bank and providing labour market information. The Job Bank is a self-serve product that provides a listing of jobs provided by employers across Canada. During 2001/02, Job Bank was improved to include the capability for employers to enter their own job advertisements via a new Internet application entitled Job Bank for Employers. During 2001 there were approximately 52 million user sessions, almost double the number of user sessions recorded in the previous year.

Providing labour market information (LMI) to Canadians ensures that they have the information required to make better decisions about jobs and transitions throughout their working lives. LMI can assist job seekers, career decision-makers, workers, providers of employment services, community development organizations and employers. During 2001/02, a new prototype for making LMI available on the Internet was developed and focus tested. As a result of this, information on local labour markets will now be available through more user-friendly subject headings and will be provided according to specific user requests.

Table 4 EBSMs Expenditures by Intervention ($000s)			
	2000/01	2001/02	Variance
Part II			
Employment Programs	1,136,089 (58.6%)	1,251,203 (60.0%)	+115,114 (+10.1%)
Employment Services	399,966 (20.6%)	461,356 (22.1%)	+61,390 (+15.3%)
Other (includes pan-Canadian)	402,797 (20.8%)	371,112 (17.8%)	-31,685 (-7.9%)
Total Part II	1,938,852 (100%)	2,083,671 (100%)	+144,819 (+7.5%)
Part I			
EBSMs and Pan-Canadian	397,817	423,220	+25,403 (+6.4%)
Part I and Part II			
Total Expenditure	2,336,669	2,506,891	+170,222 (+7.3%)
Source: Corporate Management System			

Adjustment activity

Other activities, such as those funded under LMP, may address the specific needs of individuals employed in industries or sectors in distress, as was the case with the aviation sector following the events of September 11th. Adjustment programs, such as the Aviation Action Centre in the Ontario region, are designed to meet a full range of short and medium-term needs, including assistance for laid off workers who are seeking immediate re-employment and/or educational and skills upgrading.

Financial Expenditures

The number of individuals served, client type, number of weeks exhausted when starting an intervention, the number of interventions started, as well as the type, duration and cost of a particular intervention are among the many factors that affect Part II expenditures. For example, the cost of training under SD may fluctuate from one year to the next. Similarly, TWS depend on, among other things, the duration of individual subsidies. In all cases, the needs of the individual and labour market conditions are the main determinants of the type of intervention(s) required and the resulting cost.

In 2001/02, total Part II expenditures were $2.084B. This is an increased expenditure, of the existing allocation, of almost $145M over 2000/01. This increase occurred in both program and service interventions with the largest increases occurring in Skills Development and EAS (refer to Table 4 and Annex 2.11). Overall pan-Canadian and other expenditures decreased by $31.7M (7.9%).

Part I income support payments to active claimants taking part in employment programs increased by slightly more than $25M. Long-term training under Skills Development accounted for most of this increase. A more detailed financial assessment tends to confirm the emphasis that is placed on training to assist individuals to better deal with the labour market.

II. RESULTS

The results in this section are presented in terms of:

1. Client Satisfaction
2. Returns to Work and Unpaid Benefits
3. Returns to Work by Intervention

1. Client Satisfaction[7]

In May 2000, the Treasury Board approved a federal government-wide Service Improvement Initiative. In February and March 2002, HRDC commissioned a telephone survey of its EBSM clients who were asked to rate the service received in the previous six months. The clients contacted had participated in TWS, JCP, SD, and Employment Counselling that HRDC had provided directly to them, a group that represents slightly less than 10% of all EBSM clients. All these clients are in Newfoundland

[7] A total of 1,000 interviews were completed by phone between February 27 and March 19, 2002. Respondents were asked to rate the service they received in the previous six months. Based on a sample of this size, the national results are considered to be accurate within +/-3.2%, 19 times out of 20 (most conservative estimate).

and Labrador, Nova Scotia, P.E.I., Ontario, British Columbia and Yukon, where HRDC serves clients directly.

- Of surveyed clients, 83% were satisfied with the overall quality of service from HRDC related to their participation in training and employment programs or services. Nearly half (48%) were very satisfied, with only 5% expressing dissatisfaction.
- Of HRDC Skills Development clients, 89% were satisfied with the quality of service, with over half (56%) indicating that they were very satisfied. Only 2% expressed dissatisfaction.
- Of HRDC Targeted Wage Subsidies clients, 88% were satisfied with the quality of service, with over two-thirds (71%) indicating that they were very satisfied. Only 6% expressed dissatisfaction.
- Of HRDC Employment Counselling clients, 80% were satisfied, with over half (54%) indicating that they were very satisfied. Only 3% expressed dissatisfaction.
- Of HRDC Job Creation Partnerships clients, 81% were satisfied, with 70% indicating that they were very satisfied. Only 5% expressed dissatisfaction.

Overall, only 14% of clients surveyed felt that service fell short of their expectations. However, there were indications of specific areas requiring attention by HRDC. For example, only 65% of clients were satisfied with the extent to which they were informed about HRDC's training and employment programs and services, and how to access them. The same was true regarding satisfaction with the written information they received regarding HRDC's services and the amount of time they were required to wait for service.

2. Returns to Work and Unpaid Benefits

The use of EBSMs is designed to enable improved employment results, through more skills, better knowledge, access to opportunities to gain work experience and other impacts. However, results in any one jurisdiction are influenced by local and regional labour market characteristics and the way programs and services are delivered. This makes it very difficult to make productive comparisons across jurisdictions. Moreover, for some types of interventions, expenditures in one year do not produce results until the following year. Therefore, current year results may not correspond to current year expenditures.

"Returns to work" and "unpaid benefits" have been identified as the key short-term success indicators for clients participating in EBSMs and similar programs and services. It should be noted that these indicators are gross and do not refer to the net impacts of programs and services. Information pertaining to net impacts will be addressed through the medium-term impacts project (discussed further under the Future Directions section at the end of this chapter). "Returns to work" refers to the number of insured participants who are working in paid employment and have received support through EBSMs or similar programs. "Unpaid benefits" refers to the amount of unpaid Part I benefits to active EI clients. It is determined as the difference between an individual's maximum entitlement to regular income benefits and the actual payout of such benefits.

During 2001/02, a total of 187,938 EBSM clients returned to work, a decline of 8.8%. The return to work of active EI clients before the end of their benefit period resulted in $650.8M in unpaid benefits, a decline of 10.9% (refer to Annex 2.13). These returns to work numbers include only active and former EI clients who returned to employment between April 1, 2001 and March 31, 2002.

The overall decline in these two key indicators corresponds to an increase in the unemployment rate. Although the unemployment rate remained one of the lowest in the last 25 years, it was slightly higher than in 2000/01. This was combined with slower employment growth. As a result, individuals who took part in programs and services were faced with reduced opportunities for employment. Reduced job opportunities in the labour market may mean that individuals are more likely to take part in more or longer programs. Data for the current reference period supports this, showing that the numbers of employment program interventions and expenditures have increased.

A deeper analysis of return to work data shows that there is an increase in the return to work after the end of the EI benefit period. This coincides with a decrease in the number of returns to work before the end of the EI benefit period. This tends to indicate that active claimants are being served later in their claim and/or they participate in longer interventions. This occurred in most jurisdictions. It should also be noted that services received by non-insured clients that end in returns to work are not included here.

In addition to the results noted above, AHRDA holders administered programs and services that resulted in the return to work of 7,451 Aboriginal people, compared to 4,651 in 2000/01. As well, unpaid benefits associated with the return to work of AHRDA clients totalled $13.8M, compared to $8.8M in 2000/01. As stated in the last two editions of this report, increased results associated with AHRDA agreements stem mainly from improved understanding of programming and service delivery, in both HRDC and within Aboriginal organizations. Further, data capture practices within Aboriginal organizations continued to improve.

3. Returns to Work by Intervention

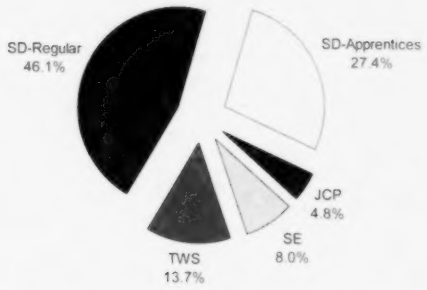
The results data for 2001/02 have been presented by intervention. Data for 2001/02 indicate that approximately 74% of the EBSM clients who returned to work received only one intervention. Only 26% of participants took part in more than one intervention. To address those instances where more than one intervention was used a hierarchy of results was necessary to associate one result with one intervention. To this end, results have been attached to interventions using the last intervention in which an individual participated with employment programs superseding employment services.

For example, an individual who took part in an SD intervention followed by an EAS intervention would be recorded as a return to work for SD.

This method of attaching returns to work to interventions provides a better picture of the results data but cannot be used to evaluate effectiveness. Further, as the interventions associated with these results include new starts from previous years it is not possible, at present, to determine an employment ratio for programs and services by using the intervention data presented in this report. Also, it should be emphasized that the needs of the clients served through programs are very different from those of clients who are assisted only through employment services. Clients receiving a service are to a large extent job ready and receive basic assistance, such as job search techniques. Clients taking part in programs require more in-depth assistance as a result of barriers that would not allow the individual to return to work without a program intervention. As such, comparisons between programs and services relating to impact for dollars spent are not possible as client needs under each are very different and not addressed the same way.

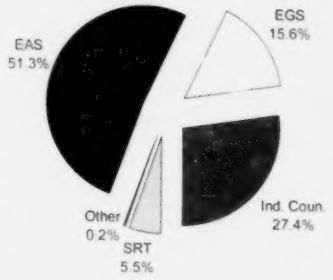
Using the hierarchy mentioned above, results data by intervention for 2001/02, presented in Annex 2.14, show that returns to work associated with employment programs accounted for 48.0% of all returns to employment (Chart 5 depicts the distribution of employment results by programs). Results for individual programs show that the majority of returns to work from employment programs are associated with apprenticeship (27.4%) and regular SD (46.1%), which combine for 73.5% of returns to work from employment programs and 35.3% of all returns to work. The SD returns to work as a proportion of programs coincides with the proportion of interventions started under SD and Apprentices, which accounted for slightly more than 70% of new start program interventions in 2000/01 and 2001/02.

Chart 5: Employment Programs Returns to Work



Employment services accounted for 52.0% of the returns to work. As shown in Chart 6, EAS was associated with over half of these returns to work (51.3%). Individual Counselling and EGS were associated with 27.4% and 15.6%, respectively, of employment services results.

Chart 6: Employment Services Returns to Work



III. FUTURE DIRECTIONS

The summative evaluations[8] will provide information on the impact of EBSMs in helping participants find and keep jobs. In addition to employment impacts, these evaluations will examine a range of outcomes related to EBSM participation, including skills gains, independence from government support, economic well-being, and local impacts on communities and employers. Summative evaluations are designed to provide feedback on the medium to longer term effectiveness of EBSMs.

To ensure scientific rigour in evaluation, an expert panel comprising private sector evaluators and academics was asked to provide input into the planned methodology for the summative evaluations. The resulting framework is now being used as a guide in developing methodology in individual jurisdictions. In 2001-2002, evaluations were under way in three provinces: British Columbia, Newfoundland and Labrador and Quebec. Summative evaluations are scheduled to be launched in most jurisdictions by the end of 2002-2003.[9]

[8] The EI Act calls for a review of the effectiveness of the EBSMs to be included in the Monitoring and Assessment Report. The LMDAs also carry provisions for the evaluation of the employment programs and services delivered under their auspices. LMDAs call for two types of evaluations. Formative evaluations yield information on design and delivery issues in the early stages of EBSM implementation. Summative evaluations, scheduled for the third year of implementation, look at medium to longer term employment impacts. Information on formative evaluation findings reported in previous Monitoring and Assessment Reports can be found at http://www.hrdc-drhc.gc.ca/ae-ei/loi-law/eimar.shtml.

[9] The timing of evaluations is dependent on the timing of agreements. Nunavut is currently at the formative evaluation stage.

In addition to the summative evaluations, work is also progressing on the Medium Term Indicator (MTI) project. Two MTI pilot projects are under way in Alberta and British Columbia to test the feasibility of using operational data to monitor and report on EBSM effectiveness on an ongoing basis. Further, in the case of British Columbia, the medium term indicators are being examined to determine if they can be used to provide additional evidence to support evaluation findings.

This chapter reports the initiatives taken to modernize the delivery of services to Canadians, and to maintain and improve quality.

- **2.9 million initial and renewal EI claims processed**
- **95.2% of first benefit cheques paid within 28 days of filing**
- **60.7% of claimants eligible to use telephone reporting to complete their bi-weekly EI reports using this service**
- **57.6% of claimants receive their payments by direct deposit**
- **6.3 million reports are filed by claimants who use the telephone to report**
- **Insurance Telemessage, an automated voice recognition system (AVRES), answers approximately 36 million calls per year**
- **EI call centres respond to approximately 7 million calls**

I. IMPROVEMENTS IN SERVICE DELIVERY

1. *Modernizing Service for Canadians (MSC)*

In 2001/02, HRDC made considerable progress in modernizing its service delivery to better reflect the needs of Canadians. This initiative expands the choices of how clients will be served in line with the Government of Canada's commitment to provide on-line services and improve the quality and cost effectiveness of services to Canadians.

MSC is envisioned as taking place over a number of years. While some activities will produce immediate improvements, others will lay the foundation for future progress.

2. *Employment Insurance Services to Individuals*

HRDC continues to provide Canadians with a choice of how they access our services—in person, by telephone, via the Internet and by mail. HRDC has over 320 points of service, in addition to 11 Employment Insurance Call Centres, and an array of electronic services.

Web-based Services

During 2001/02, work was done to consolidate all HRDC Web sites into a single site. The client will have easier access to Web sites containing up-to-date information based on a standard navigation scheme. Site improvements are based on client comments received on-line as well as from the Government of Canada's Strategic Improvement Initiative. As interactive EI on-line site features are implemented, the EI Web site will integrate such features as e-mail service for general EI enquiries. Over 16,000 e-mail enquiries were answered in 2001/02. General program information is also available on our Internet site at: http://www.hrdc-drhc.gc.ca/

The EI Appli-Web pilot project, which allows claimants to apply for benefits via the Internet, was launched nationally in April 2002. Claimants have responded very positively to Appli-Web as the initial take-up has shown. Efforts are now under way to convert EI kiosks into Client Access Web Stations (CAWS), providing Appli-Web access to expand this service. In addition, Appli-Web will include an on-line report-card exemption for maternity and parental claimants and on-line direct deposit enrolment.

In the context of Appli-Web enhancements, the Interactive Fact Finding System (IFFS) will improve claims adjudication by allowing claimants to provide additional information to support their claim and will reduce the need to answer unnecessary questions. Making the IFFS available to clients via the Internet eliminates the need to complete annexes and questionnaires and reduces the need for agents

to contact claimants for additional information. This should result in more accurate and timely adjudication of claims.

Following up on the success of Teledec, which allows claimants to report while on claim via the telephone, work has begun on the concept and design of Interdec, to provide the same service via the Internet.

In-Person Services

HRDC is reviewing the delivery of services in search of opportunities that will enhance the quality of our dealings with clients. In 2001/02, an Employment Insurance Information Strategy was implemented across Canada to ensure that clients received all the information relevant to their situation at their first contact. This strategy was supported by a revision of the Application for Benefit and related forms and information products. Newly developed service offerings provide standardized service tailored to individual needs according to the client's previous experience with Employment Insurance and the types of benefits sought. This ensures that services are in line with the client's needs and expectations.

Telephone Services

Payment details and answers to general enquiries are provided using Insurance Telemessage, an automated voice response system. Claimants can also access expert service for complex enquiries, claim renewal and non-discretionary decisions from 11 call centre sites across Canada.

The HRDC Call Centres Vision and Blueprint for Action (2001-2003) provides an action plan for positioning EI call centres for the future. To promote call centres as a workplace of choice, a recruitment and retention strategy was developed, including training and career development, and tools designed to support service delivery.

A new national telephony platform is being implemented that will simplify systems maintenance and reporting functions. The Interactive Voice Response (IVR) platform integrates HRDC's current telephony applications into a single platform with the capacity to take advantage of enhancements in telephony and call centre technology. In conjunction with the new platform, Intelligent Contact Manager (ICM) will provide consolidated statistics and reports from call centre systems.

As a result of recent enhancements to Teledec, 10.4 million bi-weekly reports were completed by telephone. The number of payments made using direct deposit was 19.1 million. This has resulted in faster payments for Canadians compared to the traditional paper processes.

To better serve clients in remote areas, HRDC piloted a Tele-Application service, linked to our call centres.

3. Employment Insurance Services to Employers

The Record of Employment (ROE) is the fundamental piece of information determining eligibility for EI benefits. The ROE-Web project will provide a fully automated and electronic process to gather ROE information from employers over the Internet and reduce the paper burden for employers and the EI program.

In early 2002, the ROE-Web was piloted with seven medium-sized to large employers and produced high levels of employer satisfaction. Enhancements to the ROE-Web are now under way to meet the needs of large employers and payroll service providers. In 2001/02, this new service channel received over 13,000 ROEs. Also planned for the fall of 2002 is a pilot for the integration of the ROE data with the Support System for Agents (SSA), which will support claims adjudication. Web-based ROEs improve the accuracy and timeliness of claims processing.

In addition, following a successful pilot in 2001/02, all current Automated Earnings Reporting System (AERS) participants can now

submit payroll data to HRDC using the Internet. The AERS, in place since the early 1980s, allows employers to report payroll data to HRDC, which is used to prevent, detect and deter abuse against the EI fund. An enhanced Version 2 has been developed and is scheduled for release in the fall of 2002.

II. QUALITY

4. *Quality of Employment Insurance Services (Quality and Accuracy)*

Quality monitoring and feedback to staff are essential in improving services and increasing accuracy in the payment of benefits. For example, regional and national analyses of the results of monitoring the quality of services offered in Human Resource Centres of Canada, call centres and benefit payment centres make it possible to identify situations where improvements are needed.

Considerable efforts have been made over the last two years to heighten awareness of the importance of quality information reported on the Record of Employment. HRDC has collaborated with employers, associations, payroll service providers, software vendors and staff to focus on preventing and correcting errors that impact clients. The reduction of errors and improved accuracy of information reported by employers on the Record of Employment have been significant factors in the improved accuracy of benefit payments to clients.

Quality coordinators in the regions are convened once a year to attend a national workshop on quality, where the Quality Management Policy is reviewed and updated, and possible measures for quality improvement are discussed.

5. *Client Satisfaction*

The Government of Canada is committed to achieving a significant, quantifiable improvement in client satisfaction with its services. To deliver on this commitment, the Treasury Board has approved a five-year Service Improvement Initiative and established a target of a 10% improvement in Canadians' satisfaction with the delivery of key government services by 2005.

Client satisfaction with the EI program was measured through a Client Satisfaction Survey conducted in June 2001. The 2001 results provide a baseline measure of satisfaction with service delivery. The survey focused on measuring client satisfaction with two major channels of service: service delivered by phone (through call centres) and service delivered in person (through HRCCs). The results were extremely positive: 77% of EI surveyed clients were satisfied or very satisfied with the overall quality of service they received.

In the short term, the client satisfaction surveys allow us to set benchmarks. These are the reference points we will use over the next several years to measure improvement. The results, while overall very strong, clearly indicate that we must improve timeliness.

6. *Public Liaison Officers*

This role was first introduced in the late 1980s. Its purpose was to ensure that all EI clients are given the opportunity to understand how the program works. Major changes in legislation, including the Employment Insurance legislation of 1996, along with recent changes in organizational structure have necessitated a stronger link between HRDC and its clients. The Public Liaison Officer (PLO) is an essential element in providing quality service. The three main functions of a PLO are (1) providing service delivery advice, (2) improving public knowledge and awareness, and (3) providing specialized services. In general, PLOs help clients access EI services and provide general information on other available services. They also organize, with employers' support, group information sessions at the workplace and help workers complete their EI claims when massive layoffs occur. Finally, they provide employers and employees with information on programs and services available to help them get back to work.

7. Workload

The events of September 11, 2001, along with the economic downturn resulted in an increase in EI claim volumes. This in turn resulted in increased backlogs and delays in issuing benefits. To ensure client services were maintained and to restore the timely processing of EI applications, a workload fluctuation contingency policy was developed with all regions preparing recovery plans.

We also took a proactive approach to announced layoffs. Local HRCC offices would contact affected companies and offer our services.

In industries and sectors directly affected, HRDC provided assistance with Work Sharing agreements to avert layoffs. In the tourism and airline sectors alone, this intervention saved hundreds of jobs.

8. Appeals of Employment Insurance Decisions

One of the pillars of the Employment Insurance program is the right that both workers and employers have to appeal a decision. The first level of appeal is the Board of Referees (BoR), made up of a chair and two panel members. Chairs are appointed by the Governor in Council, on the recommendation of the Minister of Human Resources Development. Following consultations with trade union organizations, members of Boards of Referees are appointed by the Commissioner for Workers. Other panel members are appointed by the Commissioner for Employers after consultations with various employers' organizations. These persons come from the community and do not have any ties to HRDC.

Appeals are heard in 83 appeal centres, located in all regions of the country. In 2001/02, Boards of Referees heard 30,634 appeals, the equivalent of approximately 1.05% of all new and renewal claims. In 25% of cases, appeals resulted in a change in the Department's decision. Appeals are usually heard within 30 days after they are received. In 2001/02, the rate of compliance with national speed of service standards for setting hearing dates for clients' appeals was 84%. The establishment of the Appeals Delivery and Management System, which tracks the nature and status of appeals, has enabled those who work in appeals to determine more precisely where improvements must be made.

The second level of appeal is the Umpire. Last year, Umpires heard 3,100 appeals from decisions rendered by Boards of Referees; the majority of these appeals (85%) were lodged by claimants. This represents a significant reduction in the number of appeals brought before the Umpire compared to previous years, reflecting greater confidence in the decisions of the Board of Referees.

The third level of appeal is the Federal Court of Canada. The Court is outside the scope of the Act, but Boards of Referees and Umpires are bound by its decisions. Anywhere from 100 to 150 cases are heard in it each year.

The appeals management system has been improved through extensive training of members of Boards of Referees, the adoption of an evaluation method based on the "balanced scorecard" model to increase confidence among appellants, and frequent updating of a Web site that is easy to consult and provides relevant case law on Employment Insurance.

Consulting and Audit Canada wrote a report of the National Advisory Group on Balanced Scorecard for Boards of Referees (November 2001), which carried out focus groups with Boards of Referees across Canada to support its findings.

The report produced a number of recommendations, a few of which have already been implemented. Two of these include a one-day pilot decision writing course for Board of Referees chairpersons, and a service pledge/commitment by Board members to appellants and interested parties on what to

expect before, during and after an appeal hearing is implemented nationally.

Moreover, the feasibility of filing appeals electronically was explored. To this end, a pilot project known as "Appeal via Internet" is now being developed. The project will offer Canadians a Web site on which they may lodge an appeal electronically with the Board of Referees or the Office of the Umpire. This site will also enable the general public to enquire about the Employment Insurance appeal process and the various levels of appeal, and to obtain information on how to prepare and present an appeal at a hearing. This Web site will also offer search tools to help clients review the legal principles and case law relating to their situation. It will be possible for clients to lodge appeals and obtain information on an appeal over the Internet 24 hours a day, seven days a week.

In 2001/02, HRDC began to explore best practices between its EI and ISP appeal management systems to improve services for Canadians.

9. Insurability Rulings

Under Part IV of the Act, the Canada Customs and Revenue Agency (CCRA) is responsible for issuing insurability rulings. In 2001/02, CCRA conducted 80,000 investigations on whether an employer-employee relationship exists. Many of these investigations were in response to claims by individuals for EI benefits once a contract of service had terminated. A client also has the right to appeal an insurability ruling, initially to CCRA and then to the Tax Court of Canada.

10. Social Insurance Number

The EI Act provides for the administration of the Social Insurance Number. HRDC's role is to process SIN applications, maintain the Social Insurance Registry and ensure the integrity of the SIN program by investigating cases of fraud and misuse.

The SIN Application Review Program was implemented to help front-end staff identify SIN applications that should be reviewed more thoroughly by an Investigation and Control Officer. This was done to reduce abuse of the SIN program and help prevent the issuance of multiple SINs to individuals.

The SIN public awareness campaign continued to inform employers and the general public on the importance of the SIN and the need to protect it from misuse. A number of pamphlets and information sheets were developed to inform the public on the use of the SIN.

An Identification Document Guide was developed and distributed to help HRCCs identify fraudulent documents submitted with SIN applications. Ultraviolet (UV) lamps were also distributed to help staff identify fraudulent documents.

Discussions with provincial Vital Statistics Agencies continued, with the goal of obtaining data that will verify information presented in support of SIN applications. Validating information provided by SIN applicants with the issuing provincial/territorial agency will provide additional assurance of the individual's identity.

In recent years, HRDC has taken intervention measures to ensure the integrity of the SIN. The Department has added resources specifically dedicated and trained to investigate and detect suspicious SIN applications. We have increased the number of SIN investigations conducted, improved the quality of investigations, and developed training aimed at SIN and ID fraud investigations.

11. Learning Organization

HRDC's goal of creating a learning organization was given a strong boost last year with the implementation of the national training policy. This new policy establishes the framework that will help support the Insurance program within the context of the corporate service delivery policy.

New legislation training for Bill C-49 has been successfully implemented along with the National Training Calendar. Our e-learning strategy has been released and we are currently developing our first moderated e-learning course for EI adjudicators. The SDR Learning Map on Communication competency will be developed based on the results of the training needs analysis. Both of these products will be pilot tested later in 2002/03.

We have developed and released three new computer-based training modules. These include a comprehensive training tool for special benefits and an in-depth training module on the administration of the SIN program.

Two new training courses were piloted this fiscal year: SIN Investigations and Identity Fraud. Knowledge-based training products for claims processing staff are reviewed and maintained annually to ensure consistency in services provided to clients.

In addition, we are conscious that a significant number of employees will be eligible to retire within the next few years. The Department will be able to face this challenge. This situation is an integral part of the human resource planning process so that the transition between the employees who will leave and those who will join the work force will be made in a harmonious way thus making it possible to maintain high quality services for Canadians.

12. Group Information Sessions

Group information sessions help clients understand their rights and obligations, thus allowing them to make informed decisions regarding their EI benefits. They also provide an opportunity to inform clients of services available to help them become re-employed. All regions are committed to delivering group information sessions in their Human Resource Centres.

Surveys completed by clients who have attended sessions continue to show that they are helpful, informative and beneficial. Ongoing monitoring ensures these sessions continue to meet the needs of EI claimants.

13. Apprenticeship Courses

In accordance with the Speech from the Throne, work began on amending the *Employment Insurance Regulations* so that apprentices enrolled in accredited training courses will only have to serve one two-week waiting period for a given apprenticeship program when they apply for Employment Insurance benefits.

14. Readability Project

The Readability project arose from the aftermath of the 1996 Employment Insurance (EI) reform. Its purpose is to rewrite the current EI legislation to make it more accessible and easier to understand for its users.

The project has received full support from the EI Commissioners. They chair an advisory group formed mainly of representatives from the worker and employer communities who have regularly provided their comments and suggestions on the proposals related to the new Act.

Drafting began in September 2000 with a research and development phase that focused on design and structure. At that time, the Canada Customs and Revenue Agency also joined the HRDC-Justice team as a partner. Drafting of the new version of the *Employment Insurance Act* has progressed steadily with significant input arising from consultations, both internally and externally, with the judicial community, focus groups and communication experts.

This chapter provides an analysis of the impact of EI on the economy, individuals and communities, including findings from recent evaluations and research studies in assessing the effectiveness of the EI program. The final section of this chapter examines savings to the EI Account.

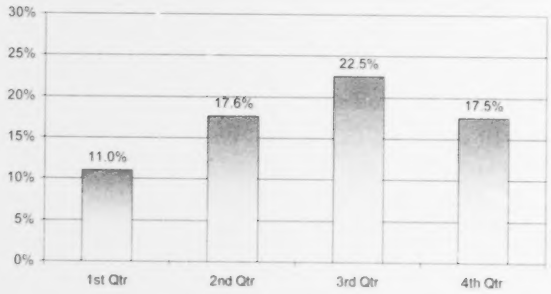
I. EI AND THE ECONOMY

The EI program has played a key role in maintaining purchasing power and stabilizing the economy during periods of economic uncertainty. The effectiveness of EI as a stabilizer is assessed by examining the responsiveness of the EI program, nationally and regionally, to fluctuations within the economy and more specifically within the labour market. In addition, the effectiveness of EI as a stabilizer is assessed by examining the number of job losses and layoffs that were averted and the impact of EI on household spending.

Responsiveness to Labour Market

To be effective in helping to stabilize the economy, the EI program should respond to fluctuations in the labour market. The responsiveness of the EI program during the reporting period was demonstrated by the timely adjustment in claims established and benefits paid. As indicated in Chapter 2, EI claim volume for regular benefits increased by 10.8% over the first three quarters in response to the slowdown in the economy and lower job growth. In addition, regular EI benefits paid also increased by $1.2 billion or 17.2% with the increase in payments being concentrated within the second and third quarters of the fiscal year (refer to Chart 1). The significant increase in regular benefits paid occurred during periods with lower employment growth, thus contributing to economic stability.

Chart 1: Year-Over-Year Growth in Regular EI Benefits Paid



Regionally, the responsiveness of the EI program can be demonstrated by adjustments in the entrance requirements and changes in the duration of benefits. EI is specifically designed to respond automatically to changes in local labour markets with entrance requirements being reduced and duration of benefits increased, as the unemployment rate rises in each of the 58 EI regions. Of these 58 economic regions, 39 or 67% experienced a significant change in the unemployment rate and a corresponding adjustment in the entrance requirement and length of entitlement. For example, when the unemployment rate in the Oshawa region increased from 5.2% in April 2001 to 8.3% in March 2002, the entrance requirement declined from 700 to 595 hours and the maximum duration of benefits increased from 36 to 42 weeks to reflect the increased difficulty of finding work in the region. In the 19 EI regions where a change in the unemployment rate did not produce an adjustment to the entrance requirement or length of entitlement, all but two regions were already at the maximum or minimum entrance requirement and as a result any further change in the local unemployment rate could not result in an adjustment. For example, in the Northern Saskatchewan region the unemployment rate increased from 14.0% in April 2001 to 15.3% in March 2002; however, the entrance requirement remained at 420 hours, which is the minimum entrance requirement.

While the automatic adjustments to the entrance requirement and length of entitlement ensures the program responds quickly to changes in local labour markets, concerns have been raised that such a system could act as a barrier to labour mobility. A recent study examined this issue and concluded that the major factors of labour mobility are expected earnings, employment prospects, and moving costs and that there is no evidence that EI has a substantial impact on labour mobility.[1] These findings are corroborated by a second study, which concluded there is no strong evidence of a relationship between EI and geographic mobility.[2]

Stabilization During Slowdown

A further indication of the effectiveness of the EI program is the degree to which the program can minimize job losses and layoffs during an economic slowdown by providing counter-cyclical economic stimulus. Preliminary findings from a macro-simulation study determined that without the EI program an additional 22,000 jobs would have been lost in 2001 and nearly 49,000 in 2002.[3] The stabilization effect in 2002 was 12.8%, meaning that 12.8% of the output and employment decline that would have occurred was avoided as a result of the EI program. These findings are consistent with previous research on the stabilization effect of EI during an economic downturn. In 1994, a similar macro-simulation model determined that the stabilizing impact of the Unemployment Insurance program in 1992 was between 12 and 15%. While the stabilization impact for the two periods is similar, fewer jobs were saved in 2002 than in 1992, as the recent economic downturn was less severe. Preliminary findings from a second study validate the finding that the EI program continues to have a significant stabilizing impact on the Canadian economy and that EI reform did not appear to markedly change the stabilization properties of the EI program.[4]

In addition to providing economic stimulus during an economic slowdown, EI also includes a Work Sharing program designed to facilitate a redistribution of work among employees to avoid layoffs. During the reporting period, it is estimated that the Work Sharing component of EI averted or postponed nearly 13,000 layoffs, representing an increase of 155% from the previous reporting period (refer to Chart 2). As described in Chapter 2, Work Sharing provides income support to workers eligible for EI benefits who are willing to work a temporarily reduced work week when there is a reduction in the normal level of business activity beyond the control of the employer. The Work Sharing program is also counter-cyclical in nature as usage increases as economic conditions become less favourable in a given sector. As discussed in Chapter 2, over 47,000 persons received Work Sharing benefits. The majority received them during the second half of the reporting period, due to developments following the tragic events of September 11. Most notably, the airline and tourism sectors experienced an immediate decline in operations. Several companies within the airline industry made extensive use of the program, with Air Canada signing the largest Work Sharing agreement in the history of the program. In total, Work Sharing agreements with Air Canada involved an estimated 2,600 individuals and averted over 600 layoffs.

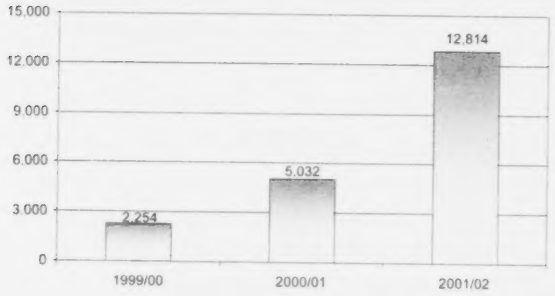
[1] Kathleen M. Day and Stanley L. Winer, *Policy-induced Migration in Canada: An Empirical Study*, sponsored by HRDC and Statistics Canada, November 2001. The study defines moving costs as monetary and non-monetary costs such as psychological, social and informational costs.

[2] Rick Audas and James Ted McDonald, *Employment Insurance and Geographic Mobility: Evidence from the SLID*, Social Research and Demonstration Corporation, April 2003.

[3] Forthcoming study – *The Employment Insurance System and Economic Stabilization in Canada*, prepared by the University of Toronto.

[4] Forthcoming study – The *Employment Insurance System and Economic Stabilization in Canada*, prepared by Global Insight.

Chart 2: Layoffs Averted or Postponed Through Work Sharing



Analysis indicates that over recent years, two thirds of Work Sharing participants have been from the manufacturing sector. The concentration of manufacturing activity in Quebec and Ontario partly explains why workers in these regions constitute a significant proportion of Work Sharing participants.[5] Other industries affected by the recent economic slowdown such as the high-tech, transportation equipment, agro-industrial and forest products sectors have also made extensive use of the program. Use of the Work Sharing program will continue to be monitored and assessed.

Another important stabilizing role that EI plays can be found in how the program helps individuals reintegrate into the labour market successfully following a job loss. In this context, a recent study determined that only 12% of individuals separated from their job experienced a decline in their household spending one year after their job separation. The study also determined that household spending did not significantly decline following EI reform.[6] These results are significant because they indicate that the provision of temporary income support under EI may help most people return to similar earnings within a year.

II. EI AND COMMUNITIES

While the EI program is designed to respond automatically to changes in each of the 58 EI regions, it is also important to examine how the program is affecting individual communities. This section focuses more specifically on how the program responds to local economic and labour market conditions. Overall, the community analysis demonstrates the program responds quite well to local labour markets and that benefits are adequate despite very different economic realities across the country (refer to Annex 3 for individual community profiles).

As discussed in the *1999 Monitoring and Assessment Report*, 14 communities were selected and monitored as an indicator of a broad spectrum of communities across Canada.[7] The group of communities includes at least one community from each province with variation among communities in terms of geography, type (urban/rural), level of unemployment, use of both official languages and work patterns (seasonal/non-seasonal).

Similar to national trends, the economic slowdown was evident at the community level, with some communities more adversely affected than others. As reported in Chapter 2, individuals with strong prior work force attachment, who depend on the program less often, accessed EI to a greater extent. As such, increases in claims for first-time and occasional claimants were observed in most communities. At the same time, communities that depend on seasonal industries continued to experience higher than average levels of unemployment and frequent claimants.

[5] Forthcoming study – *Usage of the Work Sharing Program: 1989 to 2002*, HRDC.
[6] Forthcoming study – *To What Extent is Household Spending Reduced as a Result of Unemployment?* HRDC.
[7] For more information on the Community Perspective exercise see the *1999 Monitoring and Assessment Report*, Chapter 4. Please note that the 14 communities are: Clarenville, Newfoundland; Prince Edward Island; Truro, Nova Scotia; Miramichi, New Brunswick; Repentigny, Quebec; Montréal Centre East, Quebec; Toronto Centre, Ontario; Hamilton Mountain, Ontario; St. Boniface, Manitoba; Prince Albert, Saskatchewan; Calgary Centre, Alberta; Kelowna, British Columbia; Surrey, British Columbia; and Yellowknife, Northwest Territories.

The effectiveness of the EI program responding to changes in local unemployment rates could be seen in many communities. In fact, 8 of the 14 communities experienced an adjustment in entrance requirements in response to an increase in the local unemployment rate. For example, in PEI, the unemployment rate increased from 11.9% in April 2001 to 13.3% in March 2002, triggering a reduction in the entrance requirement from 490 to 420 hours. It is important to note that of the six communities that did not experience an adjustment in entrance requirements, four were already at the minimum entrance requirement (420 hours) and two were already at the maximum entrance requirement (700 hours).

Table 1: Impact on Communities

Community	Unemployment Rate	Entitlement Used	Benefit Rate
ATLANTIC COMMUNITIES			
Clarenville	20.6%	69.5%	$294
Prince Edward Island	12.1%	71.2%	$282
Truro	10.4%	61.6%	$274
Miramichi	17.2%	64.3%	$302
QUEBEC COMMUNITIES			
Repentigny	8.9%	59.0%	$290
Montréal Centre East	8.3%	63.3%	$289
ONTARIO COMMUNITIES			
Toronto Centre	6.5%	63.3%	$356
Hamilton Mountain	6.2%	59.7%	$327
PRAIRIE AND NORTHERN COMMUNITIES			
St. Boniface	5.3%	59.6%	$293
Prince Albert	14.5%	50.9%	$319
Calgary Centre	4.6%	61.6%	$341
Yellowknife	25.0%	47.4%	$367
BRITISH COLUMBIA COMMUNITIES			
Surrey	6.9%	67.5%	$301
Kelowna	10.1%	57.1%	$311

Please note: Data on unemployment rate, entitlement used and benefit rate are averages for the fiscal year.

A key test of how the EI program responds to varying local labour market conditions is the degree to which the length of entitlement was adequate for individuals. As in past years, claimants used, on average, no more than 70% of their maximum entitlement before returning to work, even in communities with high unemployment. In Clarenville, for example, where the unemployment rate was 20.6%, claimants used, on average, 69.5% of their maximum entitlement.

The income stabilization role of EI is also evident in the analysis of the 14 communities. EI benefits comprised a significant proportion of total income received, particularly in communities with limited employment opportunities. For instance, in Clarenville, PEI and Miramichi, EI benefits were received by 60.1%, 37.1% and 38.4% of wage earners, respectively, in 2000.[8]

III. EI AND INDIVIDUALS

The EI program achieves its stabilization role in the economy and in communities by assisting individuals. In this context, the program aims to provide temporary income support to reduce the risk associated with a loss of income, to help individuals re-enter the work force, to promote work force attachment, and to support families in balancing work-family responsibilities. This section assesses the effectiveness of the program in meeting these objectives.

1. Helping Canadians Face the Risk of Unemployment

This section analyzes the extent to which EI assists Canadians in coping with periods of unemployment. It examines access to the EI program and the adequacy of EI benefits.

Access to Benefits

In analyzing the impact of EI on individuals, accessibility to the program is a critical element. The EI program is one of Canada's most significant social programs, with approximately 14.8 million individuals contributing in 2000. As in previous years, the question of access is examined using a variety of measures. Access is examined from the standpoint of working Canadians who paid EI premiums. In this

[8] The analysis is based on the *2000 Small Area Administrative Data (SAAD)*, Statistics Canada.

context, the analysis examines access for those who remained employed as well as those who lost their job during the reporting period. Access is also examined from a broader perspective, which includes all individuals who are unemployed. Finally, the question of access is also examined for immigrants, youth and fishers.

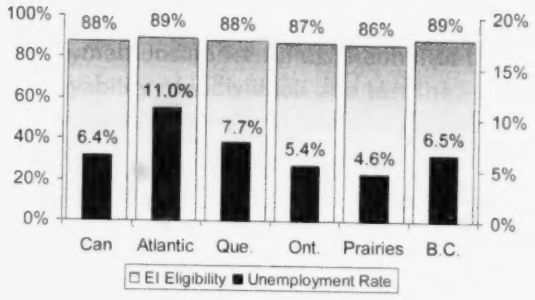
Analysis indicates that access to EI remains stable for working Canadians who pay premiums. As in past years, patterns of work are a fundamental determinant of EI eligibility. As a result, people working fewer hours per week may find it more difficult to qualify for benefits.

Access – Employed Population (Paid Employment)

According to a survey of the employed population, 88% of paid workers would have been able to collect EI benefits had they lost their jobs in December 2000.[9] The remaining 12% of paid workers would not have had sufficient insured hours to meet the eligibility requirements to establish an EI claim. This high level of access is significant as there are approximately 14.8 million individuals in paid employment. The survey also found that in comparison to 1998 results, coverage increased slightly for women (from 83.9% to 84.3%) and declined from 91.4% to 90.6% for men. The slightly lower rate of access for women relative to men can be traced to their work patterns. As noted in Chapter 1, women are more likely than men to work part time. It is important to note that the rates of access for men and women working full time are equivalent at 96% and 95%, respectively.

Evidence also indicates that despite significant variations in unemployment rates and local labour market conditions, access to EI benefits was similar across all regions of the country (refer to Chart 3). This is indicative of the responsive character of the EI program to regional fluctuations within the labour market. As the unemployment rate rises in a particular region and it is more difficult to find work, the EI program responds by lowering eligibility requirements and increasing entitlement.

Chart 3: EI Eligibility Among Paid Workers and Unemployment Rate, by Region, December 2000



EI Premium Refunds

It should be noted that the EI program has specific provisions for contributors who are unlikely to qualify. Individuals with insured earnings of less than $2,000 are entitled to a refund of their EI premiums. In 2000, $19 million in EI premiums were refunded to 896,833 or 6% of employees in paid employment. This is significant as it means that a total of 94% of employees in paid employment are either eligible for EI or receive a refund of their contributions.[10] To qualify for an EI premium refund, a contributor must file an income tax return.

Access – Unemployed Population

Access rates of EI contributors who lost their jobs during the reporting period were also examined. Results indicate that nearly 83% of contributors were eligible to receive benefits in

[9] *Survey of Labour and Income Dynamics* (SLID), Statistics Canada.

[10] The result of 94% was arrived at by adding those covered (88%) and those who received a refund (6%). It is important to note that the coverage figure of 88% is based on individuals who were working in December 2000. It is assumed that the coverage figure of 88% for the month of December 2000 is applicable for all contributors throughout the year.

context, the analysis examines access for those who remained employed as well as those who lost their job during the reporting period. Access is also examined from a broader perspective, which includes all individuals who are unemployed. Finally, the question of access is also examined for immigrants, youth and fishers.

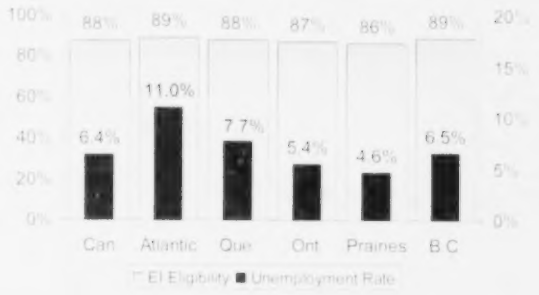
Analysis indicates that access to EI remains stable for working Canadians who pay premiums. As in past years, patterns of work are a fundamental determinant of EI eligibility. As a result, people working fewer hours per week may find it more difficult to qualify for benefits.

Access – Employed Population (Paid Employment)

According to a survey of the employed population, 88% of paid workers would have been able to collect EI benefits had they lost their jobs in December 2000.[9] The remaining 12% of paid workers would not have had sufficient insured hours to meet the eligibility requirements to establish an EI claim. This high level of access is significant as there are approximately 14.8 million individuals in paid employment. The survey also found that in comparison to 1998 results, coverage increased slightly for women (from 83.9% to 84.3%) and declined from 91.4% to 90.6% for men. The slightly lower rate of access for women relative to men can be traced to their work patterns. As noted in Chapter 1, women are more likely than men to work part time. It is important to note that the rates of access for men and women working full time are equivalent at 96% and 95%, respectively.

Evidence also indicates that despite significant variations in unemployment rates and local labour market conditions, access to EI benefits was similar across all regions of the country (refer to Chart 3). This is indicative of the responsive character of the EI program to regional fluctuations within the labour market. As the unemployment rate rises in a particular region and it is more difficult to find work, the EI program responds by lowering eligibility requirements and increasing entitlement.

Chart 3: EI Eligibility Among Paid Workers and Unemployment Rate, by Region, December 2000



EI Premium Refunds

It should be noted that the EI program has specific provisions for contributors who are unlikely to qualify. Individuals with insured earnings of less than $2,000 are entitled to a refund of their EI premiums. In 2000, $19 million in EI premiums were refunded to 896,833 or 6% of employees in paid employment. This is significant as it means that a total of 94% of employees in paid employment are either eligible for EI or receive a refund of their contributions.[10] To qualify for an EI premium refund, a contributor must file an income tax return.

Access – Unemployed Population

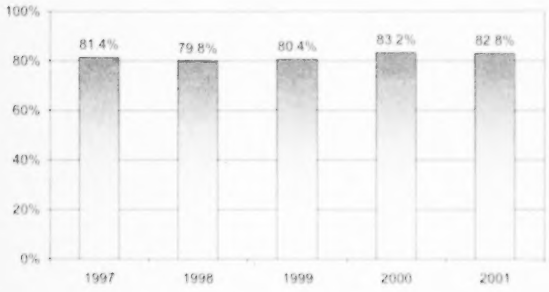
Access rates of EI contributors who lost their jobs during the reporting period were also examined. Results indicate that nearly 83% of contributors were eligible to receive benefits in

[9] *Survey of Labour and Income Dynamics* (SLID), Statistics Canada.

[10] The result of 94% was arrived at by adding those covered (88%) and those who received a refund (6%). It is important to note that the coverage figure of 88% is based on individuals who were working in December 2000. It is assumed that the coverage figure of 88% for the month of December 2000 is applicable for all contributors throughout the year.

2001.[11] This is significant because it shows that access remained stable over the past two years while labour market conditions changed. The findings also indicate that access for adult men increased by 1.3 percentage points to 91.1%, while access for adult women declined by 3.2 percentage points to 84.2%. The increase in access for men is attributable to the economic slowdown, which resulted in higher unemployment rates for men, particularly in the manufacturing and transportation sectors, who tended to have long-term labour market attachment. The decline in access for women comes after two consecutive years of increased rates of access.

Chart 4: Coverage of the Unemployed (EICS)



Comparing results for the employed versus the unemployed indicates that access tends to be lower for the unemployed. The lower eligibility for the unemployed (83% compared to 88% for the employed) suggests that the unemployed population has a greater proportion of individuals with a more tenuous attachment to the work force, making them less likely to be eligible for EI benefits. The lower eligibility for the unemployed could also be a reflection of their lower skill levels and resulting lower labour market resilience.

Another approach to assessing access to EI for the unemployed is the beneficiary to unemployed (B/U) ratio. The B/U ratio is a commonly cited measure, comparing the number of people on EI regular benefits with the total number of unemployed people at any given time. The B/U ratio increased from 46.4% in 2000/01 to 47.0% in 2001/02. While the B/U ratio has the advantage of simplicity, it also includes unemployed people for whom EI regular benefits were not designed. For example, the B/U ratio includes self-employed individuals who do not pay premiums, those who have never worked or who have not worked in the past 12 months, and those who voluntarily quit their job without just cause. As a result, it is a measure of coverage of a much broader group than EI contributors.

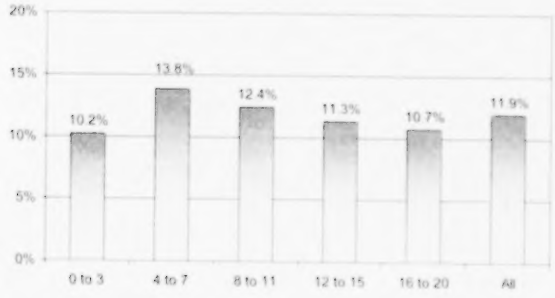
Access – Immigrants

To better understand accessibility and usage of EI by specific client groups, access to EI by immigrants was also examined. Overall, the analysis indicates that immigrants tend to access the program more frequently between four and seven years after arriving in the country. The analysis also shows that as immigrants become more established within the labour force, their reliance on EI declines to levels that are significantly lower than the average for all Canadians (14.4%) with employment earnings. The relatively low proportion of immigrants accessing EI in their early years in Canada may be attributable to higher rates of unemployment for recent immigrants, which are nearly double that of the Canadian-born population (12.1% versus 6.4%, respectively). As such, it may be more difficult for them to obtain the necessary insured hours to meet the higher entrance requirements for new entrants to the labour market.[12]

[11] *Employment Insurance Coverage Survey* (EICS), Statistics Canada Daily, November 25, 2002; http://www.statcan.ca/Daily/English/021125/d021125c.htm. The interval of confidence for 82.8% at the 95% confidence level (19 times out of 20) is +/- 2.2 percentage points, and at the 90% confidence level is +/- 1.8 percentage points.

[12] The 2001 Census indicates that the unemployment rate for immigrants (12.1%) is nearly double that of the Canadian-born population (6.4%).

Chart 5: Percentage of Immigrants With Employment Earnings Who Reported EI Income (Tax Year 2000), by Number of Years in Canada



Access – Youth

In addition, accessibility for youth was also examined, as these individuals often have less work experience. Higher eligibility requirements were designed to ensure that workers, especially new workers, first establish a substantial attachment to the labour force before being eligible for EI benefits. To this end, people who enter the labour market for the first time (new entrants) and those who have limited work experience in the last two years (re-entrants) need 910 insured hours to qualify for EI instead of the variable entrance requirement for the region. In earlier reports, it was noted that this element of the program is achieving its objectives. Results from an ongoing HRDC study using data from the Canadian-Out-of-Employment Panel (COEP) survey indicate that a larger proportion of individuals new to the work force are qualifying for EI with a greater number of insured hours of employment, indicating greater work effort and work force attachment prior to accessing EI.[13] Further, the Survey indicates that the probability of a new entrant or re-entrant making a claim has not changed since EI reform.

Access to Fishing Benefits

Although fishing benefits represent a relatively small part of the EI program, they play an important stabilization role within fishing communities. Unlike regular benefits, eligibility for fishing benefits is based on insured earnings rather than insured hours. Under the earnings based system, fishers can qualify for benefits with a minimum of between $2,500 and $4,199 in insured earnings from fishing. For new entrants and re-entrants to the fishery, a minimum of $5,500 of earnings is required to qualify. The threshold for new entrants and re-entrants is significantly higher so as to encourage a greater degree of work force attachment prior to filing for EI.

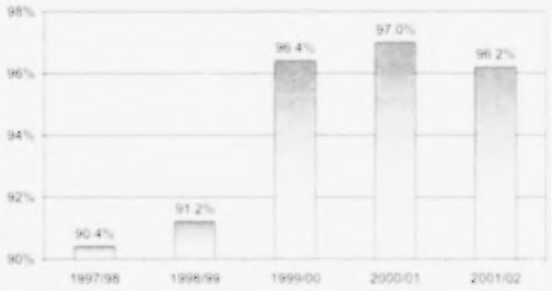
As in past years, analysis indicates that the earnings-based threshold may be too low given the overall level of revenues in the fishery. Over he past decade the industry has shifted from higher-volume/lower-value ground fish to lower-volume/higher-value invertebrate species. Even though the total number of fishers has declined in comparison to pre-reform levels, over this period the value of Canadian fisheries continued to increase.[14]

Results indicate that the new-entrant threshold of $5,500 may be too low given revenues in the fishery. Analysis indicates that virtually all fishers exceeded the new-entrant/re-entrant threshold of $5,500 during this reporting period (refer to Chart 6). The findings also indicate that the number of fishing beneficiaries under the age of 25 has increased by 18.2% since 1998/99. Further, the analysis indicates that close to 80% of fishers qualified with insured earnings over $10,000. The relative ease with which fishers are meeting the entrance requirements has raised issues, as more individuals may be entering the fishing industry than would otherwise be the case.

[13] Forthcoming study – *EI Reform and New-Entrants/Re-Entrants to the Labour Market*, HRDC. The proportion of individuals qualifying with between 910 and 1,050 hours increased from 42.6% pre-reform to 59.1% post-reform.

[14] According to data from Fisheries and Oceans Canada the number of personal fisher registrations (licence holders and crew members) declined in the second half of the 1990s by one third.

Chart 6: Proportion of Fishers Who Qualify with Earnings in Excess of the New-Entrant Eligibility Requirement



Access to Employment Benefits and Support Measures (EBSMs)

Individuals can also access re-employment assistance under Part II of the EI program. EBSMs are designed to build the skills of Canadians and to help them obtain and maintain employment. In 2001/02, over half a million individuals accessed active employment measures, of which nearly two thirds were active EI claimants. The increase in the number of active claimants partially reflects the economic slowdown and the resulting increase in EI claims. As outlined in Chapter 2, there was a significant increase in the number of first-time and occasional users of EI and as a result an increase in the number of individuals on EI who required assistance in re-entering the work force.

Of particular note in 2001/02 was the increased expenditure, over $100 million, associated with Skills Development and the continued emphasis on this program as a means of helping individuals obtain the skills they require to succeed in the labour market. The Skills Development program accounted for 72.5% of all program activity in 2001/02.

Participation by designated groups in Part II programs remained stable in comparison to past years. The participation of persons with disabilities and visible minorities remained virtually the same as in the previous reporting period and participation of women and Aboriginal people varied by less than one percentage point.

Analysis on the effectiveness of EBSMs will be available as the summative evaluations are completed. These evaluations will examine issues such as effectiveness in helping individuals return to work, use of EI, and provincial social assistance programs after taking part in a program or service. Additional information such as cost effectiveness and more detailed client information will also be available.

Adequacy of Benefits

As in previous years, the adequacy of EI benefits is also examined from a variety of perspectives. Adequacy is examined in terms of the level of the average weekly benefit, particularly with respect to low-income claimants. Adequacy is also examined in terms of the duration of benefits.

Level of Benefits

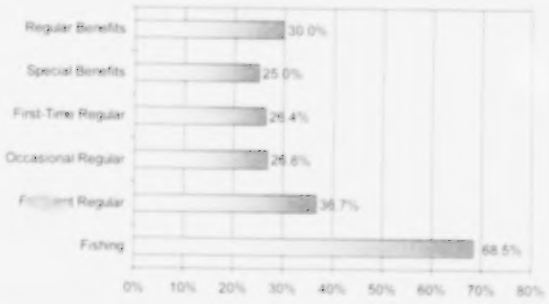
In examining the adequacy of EI benefits, it is important to examine the degree to which average weekly benefits reflect changes in the average industrial wage. Overall, analysis indicates that the average weekly benefit under EI has been increasing at a rate that exceeds the growth in the average weekly earnings of the Industrial Aggregate. Since 1996/97 the average weekly benefit rate for regular benefits has increased from $272 to $305 or by 12%, exceeding the growth rate of the average weekly earnings of the Industrial Aggregate by 3.5 percentage points.[15] During this reporting period, the average weekly benefit for regular benefits increased from $297 to $305, representing an increase of 2.7% over 2000/01. This is significant because it demonstrates that EI benefits are adjusting in relation to rising average wage rates. The increase in the average benefit is also attributable to the elimination of the intensity rule and the national implementation of the Small Weeks provision.

[15] The average weekly earnings of the Industrial Aggregate increased from $32,021 in 1996/97 to $34,742 in 2001/02, which represents an increase of 8.5%. Results on the average weekly earnings of the Industrial Aggregate were obtained from the Statistics Canada publication *Employment Earnings and Hours*, Catalogue no. 72-002-XIB.

In addition to examining the growth in the average weekly benefit rate, the proportion of clients at the maximum benefit rate ($413) was also examined. This analysis is significant as the maximum benefit rate is tied to the maximum amount of earnings (MIE) that individuals can insure under EI, which is $39,000.[16] Concerns have been raised that the MIE is higher than the average industrial wage, resulting in higher levels of EI benefits. As a result, the MIE has been frozen at $39,000 until the average industrial wage increases to an equivalent level.

Analysis from this reporting period indicates that the MIE remains 12.3% above the average industrial wage ($34,742). The analysis also indicates that the proportion of regular claims in receipt of the maximum weekly benefit rate increased from 12% in 1999/00 to about 30% in 2001/02, reflecting increases in average wage rates. It is important to note that first-time and occasional claimants are much less likely to be in receipt of the maximum benefit rate than frequent claimants and fishing claimants (refer to Chart 7).[17] Monitoring of the maximum weekly benefit rate and the yearly maximum insured earnings in relation to the average industrial wage will continue.

Chart 7: Percentage of EI Claims Receiving the Maximum Weekly Benefit Rate



In examining the adequacy of average weekly benefits it is important to note that the benefit repayment provision has been modified.[18] Effective tax year 2000, the repayment provision was modified to better target higher income repeat claimants. Analysis for tax year 2000 indicates that the modifications resulted in higher net EI benefits for regular beneficiaries by not requiring the repayment of approximately $20.4 million in benefits by first-time recipients and $21.8 million by recipients of special benefits. In 2000, 74,186 individuals repaid some of their EI benefits, representing a significant decline of 48.5% in comparison to 1999 (refer to Annex 1.15). As in previous years, the vast majority (91.1%) of claimants affected by the repayment provision were men. The number of men impacted by the repayment provision declined 46.0% versus a decline of 65.3% for women. The larger decline for women is associated with the fact that women make greater use of special benefits, which are now exempt from the repayment provision. These findings indicate that the modification to repayment provisions has resulted in higher net benefits for EI beneficiaries.

Benefits to Low-Income Families – Family Supplement

The Family Supplement replaced the 60% benefit rate under previous legislation (Unemployment Insurance) for low-income individuals with dependent children, and was designed to better target assistance to claimants in need.[19] Adequacy of EI benefits is also assessed by examining the effectiveness of the Family Supplement in providing additional income support to low-income families with children. The Family Supplement

[16] Since 1997 the MIE has been $39,000. Under Section 5 of the EI Act, the MIE is adjusted based on the average weekly earnings of the Industrial Aggregate. Before 1997 the MIE was indexed each year based on an eight year moving average of employees' annual average earnings.

[17] Fishers exceeding the maximum entrance requirement of $5,500 are not necessarily entitled to the maximum benefit rate.

[18] Effective tax year 2000, the clawback provision was modified to exempt first-time recipients of regular benefits and individuals accessing special benefits. The Benefit Repayment threshold was set at one level, $48,750 of net income with a repayment rate of 30%—the maximum repayment would be limited to 30% of a person's net income in excess of $48,750.

[19] Please refer to Annex 1 of the *2000 Monitoring and Assessment Report* for more detailed information on Family Supplement replacing the dependency provision that existed under Unemployment Insurance.

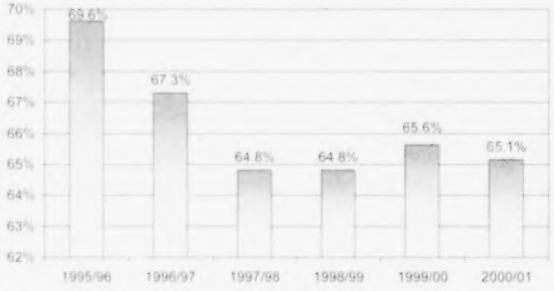
provides additional benefits to claimants in low-income families with children, by increasing the benefit rate they can receive from 55% to 80%.[20]

In 2001/02, 187,320 individuals were entitled to the Family Supplement top-up. These low-income individuals received $175.8 million in additional benefits during this reporting period, an increase of 11.7% from 2000/01. The proportion of all beneficiaries receiving the Family Supplement declined from 10.7% to 9.7%. Further, the proportion of regular beneficiaries receiving the Family Supplement declined from 9.9% to 8.7%. This decline continues a trend that started in 1999/00 when the proportion was 11.4% for all beneficiaries and 10.7% for regular beneficiaries. The decline can be traced to family income increasing while the Family Supplement threshold remains fixed at $25,921. Accessibility to the Family Supplement will continue to be monitored.

Claim Duration

Under EI, regular beneficiaries can receive between 14 and 45 weeks of income support. In examining the adequacy of EI benefits it is important to determine whether the length of income support is sufficient for claimants. Analysis for 2001/02 indicates that on average, regular beneficiaries collected only two thirds of the weeks that they were eligible to receive, a proportion that is consistent with previous reporting periods (refer to Chart 8). The percentage of entitlement used was highest in Prince Edward Island (74.2%), Newfoundland and Labrador (73.5%), New Brunswick (70.2%) and Nova Scotia (69.5%), reflecting higher unemployment rates and fewer job opportunities in these provinces. The percentage of entitlement used was lowest in Ontario (60.8%) and Alberta (62.5%), reflecting stronger labour markets. It is also worth noting that there is little difference between men and women. Men, on average, used 64% of their entitlement to regular benefits, which is consistent with previous years. Women, on average, used 67% of their entitlement, which is about the same as the previous reporting period (68%). This is significant because it indicates that the proportion of entitlement used remained stable during the economic slowdown.

Chart 8: Proportion of Entitlement Used by Regular Claimants

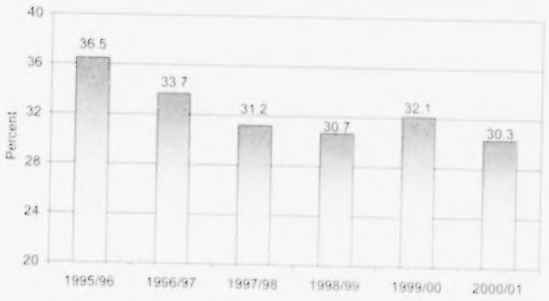


Another important measure used to assess whether the number of weeks of entitlement is sufficient for claimants is to examine the degree to which they exhaust all their weeks of benefits. Results for this reporting period show that about 30% of regular beneficiaries used all their weeks of benefits. The proportion of women who exhausted benefits (33.5%) was slightly higher than men (28.1%). The higher exhaustion rate for women may be attributable to women, on average, being entitled to fewer weeks of benefits (31 versus 33 weeks for men) as a consequence of establishing a claim for benefits with fewer hours of insurable employment. It is important to note that on average, youth (<25 years) had the lowest (28.5%) exhaustion rate among all age cohorts, which is attributable to their work force participation patterns, as they frequently enter and exit the labour market while attending school. In comparison, older workers (55+ years) had the highest exhaustion rate, which is attributable to older workers experiencing greater difficulty re-entering the work force. Overall, the analysis indicates that

[20] Like other claimants, claimants receiving the Family Supplement are subject to a maximum weekly benefit of $413.

even with the economic slowdown the proportion of EI claimants exhausting their EI entitlement continued to decline. Since 1995/96, the proportion of regular claimants exhausting their benefits has declined from 36.5% to 30.3% (refer to Chart 9). Further, the number of frequent claimants exhausting their benefits also declined by 51.5% over the same time period. The decline in the proportion of claimants exhausting their benefits since EI reform is significant as it shows that the reduction in the maximum length of entitlement has not resulted in a great number of people exhausting their benefits.

Chart 9: Proportion of Regular Claimants Exhausting Benefits



In this context, it should be recognized that individuals who exhaust their EI entitlement prior to returning to work may face significant financial hardship. At the time of EI reform, concerns were raised about individuals who needed to turn to social assistance. Findings from an ongoing study indicate that only a small proportion of individuals who exhaust their EI entitlement move on to social assistance.[21] The study concluded that use of social assistance by EI clients declined from 5.8% in 1995/96 to 3.2% in 2000/01.[22] While these results are encouraging, it is important to note that the labour market was relatively strong during this period. It is also important to note that the National Child Benefit was introduced in 1998 to provide funding to low-income families with children. Part of the decline may also be attributable to changes in eligibility for provincial and territorial social assistance programs.

2. *Encouraging Greater Work Force Attachment*

In addition to providing adequate temporary income support, an important objective with EI is to encourage greater work force attachment. As a result, the EI program has been designed with certain features that are meant to strengthen the link between work effort and benefits. While there are several features within the program, the analysis of promoting work force attachment in this chapter is based on three specific elements: the divisor, working while on claim and the small weeks provision.

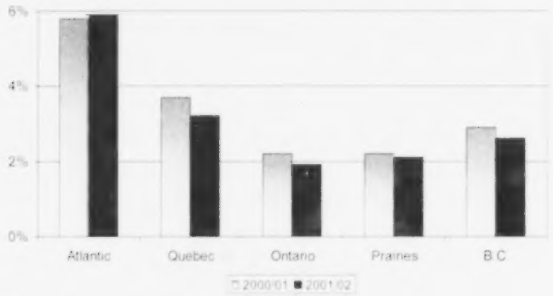
Divisor

One way in which work force attachment is encouraged is the "divisor" rule. The divisor encourages greater labour force attachment as all claimants are required to work two weeks beyond their minimum entrance requirement to be entitled to full benefits.[23] Overall, analysis indicates people are working the additional two weeks. Nationally, results show that almost all (97%) claimants work the two additional weeks needed to receive full benefits. The proportion of claimants failing to find the two extra weeks of work declined from 3.4% last reporting period to 3.1% in 2001/02 (refer to Chart 10). This is particularly significant given the economic slowdown that occurred during the reporting period. Regionally, only about 2% of claimants in Ontario and the Prairies failed to find the two extra weeks of work. In Quebec and British Columbia the figures were slightly higher at 3.2% and 2.6%, respectively. Even in the Atlantic region, where unemployment rates are higher and seasonal work is more frequent, only about 6% of claimants failed to find the extra two weeks of work. In comparison with the previous reporting period, the proportion of claimants affected by the divisor provision

[21] Forthcoming Study – *Did the Exhaustion of UI/EI Benefits and the Take-up of Social Assistance Change After EI Reform?*, HRDC.
[22] These results are based on the Canadian Out-of-Employment (COEP) survey, which is conducted approximately 12 months after job separation.
[23] Refer to Chapter 2 of the *2001 Monitoring and Assessment Report* for descriptive information on the divisor.

declined slightly in every region except Atlantic Canada, where it remained stable. It should also be noted that the percentages of men and women affected by the divisor were 2.9% and 3.5%, respectively.

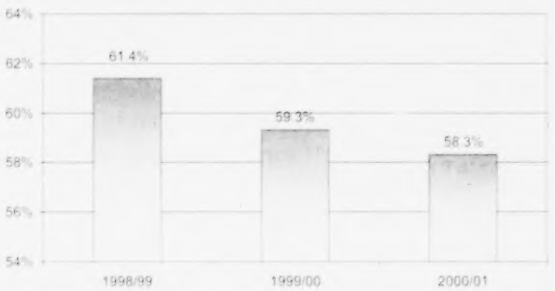
Chart 10: Proportion of Regular Claims Affected by the Divisor, by Region



Working While on Claim[24]

Another provision designed to encourage work force attachment is working while on claim. Claimants can earn the greater of 25% of their weekly benefit rate or $50, referred to as allowable earnings, without incurring a reduction in their weekly benefit rate. Employment earnings above the allowable earnings threshold are deducted dollar for dollar from the claimant's weekly benefit. As reported in previous Monitoring and Assessment reports, there has been a decline in the proportion of regular claimants reporting work while on claim (refer to Chart 11). In 2000/01, a total of 812,970 or 58.3% of regular claimants reported working while on claim (refer to Annex 1.14). The decline in regular claimants working while on claim can be traced to the reduction in frequent claimants working while on claim. The proportion of regular claimants who are working while on claim and are frequent claimants declined from 27.1% in 1998/99 to 23.8% in 2000/01. This represents a decline of 3.3 percentage points, which accounts for the entire decline in the overall reduction of regular claimants working while on claim between 1998/99 and 2000/01.

Chart 11: Proportion of Regular Claimants Working While on Claim



Evidence continues to support the finding that the working-while-on-claim provision may not be encouraging claimants to accept all available work while on claim. An update of the analysis reported in the *2001 Monitoring and Assessment Report* indicates that the vast majority of weeks worked while on claim (67%) were a "full week" and the earnings were high enough to eliminate the payment of EI benefits.[25] This is significant because if claimants can reduce their weekly benefit to nil then they can save that week of benefits to use later. About one quarter (25%) of weeks worked while on claim had earnings that were insufficient to reduce the claimants' benefit to zero. In these cases, the claimants were unable to save the week of benefits.

A further study of the allowable earnings provision corroborates the finding that the working-while-on-claim provision may not be encouraging claimants to accept all work available and that they may be hesitant to work while on claim unless they can reduce their overall benefits to zero and thereby keep the week of benefits for later use.[26] These findings suggest that continued monitoring and assessment of the working-while-on-claim provision is required.

[24] Analysis of the working-while-on-claim provision has been lagged by one year to ensure that claims are completed. The definition of working while on claim includes all claimants who earned income during their EI benefit period.

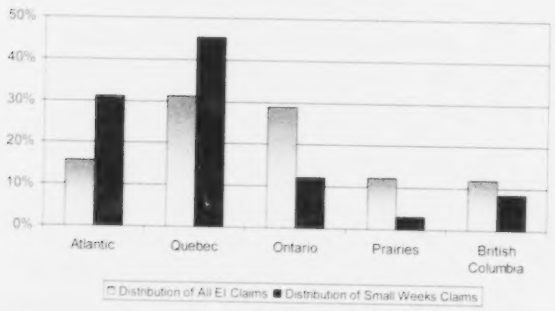
[25] Refer to Chapter 2 of the *2001 Monitoring and Assessment Report* for detailed information on the analysis on the working while on claim provision.

[26] David Gray and Shawn de Raaf, *The Impact of the Allowable Earnings Provision on EI Dependency*, Social Research and Demonstration Corporation, November 2002.

Small Weeks Initiative

A third initiative introduced to promote work force attachment is Small Weeks.[27] The Small Weeks provision excludes from the benefit calculation weeks with lower earnings (less than $150), so these weeks will not impact clients' potential EI entitlement on a future claim. The Small Weeks provision did not become a national feature of the program until mid-way through the reporting period and as a result national results are not yet known. Results for the reporting period indicate that 8.1% of all EI claims established included small weeks. This represents a slight increase from the previous reporting period (7.5%), which is attributable to the provision being no longer restricted to economic regions with higher unemployment rates. As depicted in Chart 12, Atlantic Canada and Quebec have a significantly larger proportion of small weeks claims in comparison to the national distribution of EI claims. Initial analysis indicates that the Small Weeks provision is providing clients with a higher weekly benefit rate. On average, weekly benefits were $224 or $14 higher than they would have been without the Small Weeks provision. The Small Weeks provision and the low earnings threshold ($150) will continue to be monitored and assessed in future reports.

Chart 12: Distribution of National EI Claims and Small Weeks Claims (2001/02)



3. *Helping Canadians Balance Work and Family Pressures*

In addition to assisting Canadians who are unemployed and seeking to re-enter the work force, EI also plays an important role in supporting working Canadians in their efforts to balance work and family responsibilities. As reported in Chapter 1, there is an increasing number of Canadians who are experiencing work-life conflict and stress, resulting in increased absence from work, and in some cases, job loss. In this context, enabling Canadians to meet their family demands without putting their work force participation at risk contributes to a more productive economy.

EI's impact in assisting Canadians to balance work and family pressures is assessed by examining accessibility to maternity, parental and sickness benefits, and the adequacy of these benefits. Implementation of the Compassionate Care benefit is scheduled for January 2004, and as such will be monitored and assessed in future reports.

Access to Special Benefits

The analysis of accessibility to special EI benefits is undertaken by examining the impact of the reduction in entrance requirements from 700 to 600 insured hours, access to maternity and parental benefits for new mothers, participation of men in parental benefits and sickness claims.

Reduced Entrance Requirements

The reduction in entrance requirements for special benefits resulted in an increase of approximately 18,000 new special benefits claims in 2001/02.[28] This is significant as it represents just under half of the growth (44%) in special claims realized over the reporting period. Of the 18,000 claims, nearly 8,000 were for maternity and/or parental benefits. Without the reduction in entrance

[27] Refer to Chapter 1 – Recent Legislative Context for details on national implementation of the Small Weeks provision.
[28] Please refer to the *2001 Monitoring and Assessment Report* for details on changes to entrance requirements for special benefits.

requirements these individuals would have been unable to access special benefits. These findings indicate that the reduction in entrance requirements for special benefits has improved accessibility.

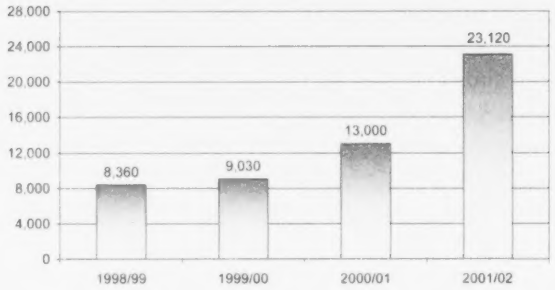
Access to Benefits for New Mothers

Access to maternity and parental benefits for new mothers has also been analyzed. Findings from a recent study[29] indicate that 84% of mothers who had a child aged 0 to 12 months and had insurable employment in the year before childbirth received maternity and/or parental benefits in 2001. This is a 5.0 percentage point increase from 2000 and is further evidence that the reduction in entrance requirements is working as intended. Additionally, recent analysis using COEP data reveals that 90% of women who left their employment for maternity leave had enough hours to qualify for benefits. These findings are significant as they indicate that the vast majority of women in paid employment can access maternity and parental benefits.

Participation of Men in Parental Benefits

The enhancements to maternity and parental benefits also included several changes that were designed to improve flexibility and promote increased participation of men. Results from this reporting period indicate that the proportion of new parental claims filed by men increased from 7.3% to 11.2%. In addition, the number of parental claims for men increased by nearly 80% (refer to Chart 13). The increase in the number of men collecting parental benefits suggests that the enhanced parental benefits are contributing to an increase in sharing of work-family responsibilities in the nurturing and care of children. However, it should be noted that women continue to collect the vast majority of parental benefits, reflected by the fact that women received 92% of all parental benefits paid.

Chart 13: Number of Fathers Claiming Parental (Biological) Benefits



In addition to extending duration and improving accessibility, the enhancements to parental benefits also improved flexibility by allowing parents who share benefits to serve only one waiting period instead of two. In 2001/02, just over 8,500 parental claims for men had their waiting period waived. The high rate of waiting periods being waived provides further evidence of the increased sharing of benefits among parents.

Sickness Claims

During this reporting period the number of sickness claims increased by only 1.5% and all of this increase can be attributed to the improved access from the reduction in entrance requirements from 700 to 600 hours. It is estimated that approximately 10,000 additional people qualified for sickness benefits as a result of this change. Without the increase resulting from reduced entrance requirements the volume of EI sickness claims would have declined by 1.0%. It is also important to note that the number of sickness claims in conjunction with maternity/parental claims declined by 42%. The significant decline may be attributable to enhanced parental benefits. With parents being eligible for a full year of maternity and parental benefits there may be a reduced need to claim sickness benefits in conjunction with maternity and parental benefits. The slower rate of growth for sickness benefits is significant because the volume of

[29] Katherine Marshall, *Benefiting from Extended Parental Leave*, Statistics Canada, March 2003, Catalogue no. 75-001-XIE.

sickness claims had increased at an average annual rate of 7.6% between 1998/99 and 2000/01.[30] The use of sickness benefits will continue to be monitored and assessed in future reports.

Adequacy

The adequacy of special benefits is examined by analyzing the amount of benefits paid, including the role of the Family Supplement, as well as the duration of benefits. Given the distinctive features of special benefits the analyses of maternity and parental benefits and of sickness benefits are undertaken separately.

Maternity and Parental – Level of Benefits

The average weekly benefit rate for maternity and parental benefits has increased over the years at a rate equivalent to the growth in the average weekly earnings of the Industrial Aggregate. Since 1996/97 the average weekly benefit rate for maternity and parental benefits has increased by 8.3% and 9.8%, respectively. During the reporting period, the average weekly benefit rate for maternity and parental benefits increased by 2.6% and 3.1%, respectively. This increase demonstrates that EI benefits are responding to rising wages.

Maternity and Parental – Family Supplement

Adequacy of EI benefits is also assessed by examining the effectiveness of the Family Supplement in providing additional income support to low-income families with children. In 2001/02, Family Supplement payments to maternity beneficiaries increased from $22 million to $25 million, representing an increase of 14%. However, it should be noted that Family Supplement payments to parental beneficiaries more than doubled from $20 million to $42 million, as a result of the extension of parental benefits from 10 to 35 weeks.[31]

In 2001/02, approximately 22% of maternity and 21% of parental claims were in receipt of the Family Supplement. This represents a decline in the proportion of maternity and parental claimants in receipt of the Family Supplement by 0.7 and 1.1 percentage points, respectively. As indicated earlier in this chapter, the decline can be traced to family income increasing while the Family Supplement threshold remains fixed at $25,921. Accessibility to the Family Supplement will continue to be monitored.

It is also important to note that the Family Supplement continues to benefit women to a greater extent than it benefits men. Total Family Supplement payments to women increased by 22.0% while payments to men declined by 8.7%. The share of total Family Supplement benefits paid to women has increased from two thirds to nearly three quarters. The increase in Family Supplement payments to women can be traced to enhanced parental benefits, as women account for nearly three quarters of all special benefits claims. Further, 15% of women are entitled to the Family Supplement in comparison to 5% of men.

Maternity and Parental Benefits – Claim Duration

A key objective of the enhancements to maternity and parental benefits is to allow parents more time to spend at home with their newly born or adopted children by extending the number of weeks that benefits are available. Analysis for this reporting period indicates that a significant portion of the available entitlement is being collected. In fact, when combined with maternity benefits and the waiting period, parents are using 86.2% of the full year available to them.[32] This indicates that the enhancements in

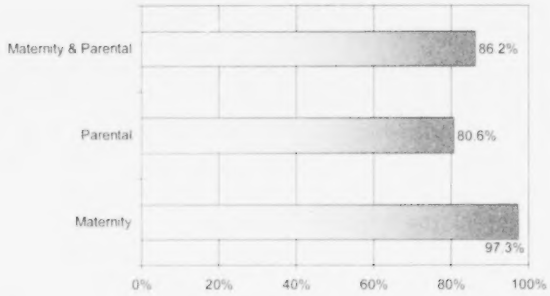
[30] Refer to the *2001 Monitoring and Assessment Report* for the analysis regarding the increase in sickness claims during prior reporting periods.

[31] The figures refer to clients who were in receipt of maternity and/or parental benefits. Clients in receipt of maternity and/or parental benefits in combination with any other type of benefits are not included.

[32] To ensure that the analysis of weeks paid is based on completed claims, the data cover all parental claims that commenced during the first half of the reporting period.

parental benefits have provided families with the flexibility to care for their newly born or adopted children for an extended period of time.

Chart 14: Proportion of Entitlement Used by Maternity and Parental Claimants (2001/02)



Analysis also indicates that the Family Supplement is working as intended by ensuring that lower income claimants can fully access maternity and parental benefits. Analysis of those beneficiaries in receipt of the Family Supplement indicated that they collected an additional half week of benefits (43.3 weeks versus 42.8 weeks). This suggests that the Family Supplement top-up is allowing lower income workers to stay home with their children.

It should also be noted that there are some employers and provincial governments that provide top-ups to EI benefits. Under the EI Act and Regulations, employers and provinces are encouraged to provide support that enhances benefits. These voluntary top-ups, referred to as Supplementary Unemployment Benefits (SUB), may influence the number of weeks individuals collect maternity and parental benefits. As such, future reports will assess the extent to which these voluntary top-up plans impact the length of time individuals collect maternity and parental benefits.

Parental Benefits – Flexibility to Work While on Claim

In addition to improving the duration and promoting the sharing of benefits, the enhanced parental benefits have also allowed parents to supplement their EI benefits by allowing parents to work while on claim.[33] In 2001/02, there were approximately 20,000 claimants who reported earnings while collecting parental benefits.[34] This represents an increase of 62% or 7,800 claimants in comparison to the previous reporting period. These results are significant as they indicate that the enhancements are allowing new parents the flexibility to supplement EI benefits by gradually returning to the work force.

Sickness – Level of Benefits

The average weekly benefit rate for sickness benefits has increased over the years at a rate equivalent to the growth rate of the average weekly earnings of the Industrial Aggregate. Since 1996/97 the average weekly benefit rate for sickness benefits has increased by 7.6%, which is comparable to the growth rate in the average industrial wage rate over the same period. During the reporting period, the average weekly benefit for sickness benefits increased from $268 to $271, representing an increase of 1.0%.

Sickness – Duration of Claim

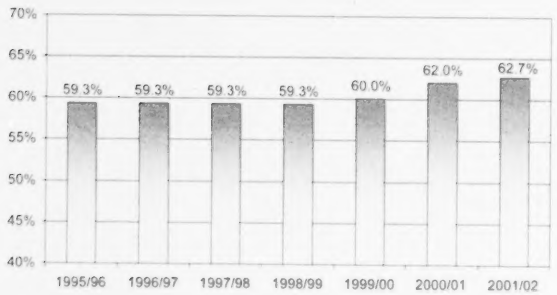
Under EI, claimants can access up to 15 weeks of sickness benefits. Analysis of the adequacy of sickness benefits is undertaken by examining the number of weeks of sickness benefits collected. Analysis indicates that, on average, claimants collected 9.4 weeks or 63% of the maximum entitlement. In addition, only one third of sickness beneficiaries collected the maximum 15 weeks of benefits. Overall, these results indicate that the 15 weeks of sickness benefits provided for under EI is meeting the

[33] Refer to Annex 1 of the *2001 Monitoring and Assessment Report* for detailed information on adjustments to parental benefits including the allowable earnings provision.

[34] At the time of the analysis not all claims established in 2001/02 had been finalized. As a result, the analysis of individuals working while collecting maternity and parental benefits is an approximation based on available data.

needs of most claimants. It should also be noted that nearly half (48.1%) of sickness claimants collected between 11 and 15 weeks of benefits, with 21.7% receiving between 6 and 10 weeks, and 30.2% receiving between 1 and 5 weeks of benefits.

Chart 15: Proportion of Entitlement Used by Sickness Claimants



IV. SAVINGS

Previous reports provided estimates of the incremental fiscal impact EI reform had during the reference year of the report. The reporting of the incremental impacts was necessary as some reform elements such as the Family Supplement were phased in over several years and continued to have an incremental effect on EI benefits. As of 2001/02 all reform elements are mature and as such there are no incremental fiscal impacts to report.[35]

During 2001/02, 187,938 individuals who accessed active re-employment measures returned to work, resulting in unpaid benefits of $650.8 million in regular EI. Corresponding with the slowdown in the labour market, both the returns to work and unpaid benefits declined in comparison to the previous reporting period, 8.8% and 10.9% respectively. An additional 7,451 individuals returned to work following an intervention funded through the Aboriginal Human Resources Development Strategy with resulting savings of $13.8 million.

In addition to ensuring that claimants receive those benefits to which they are entitled, the Department also has a responsibility to Canadians to prevent abuse of the Employment Insurance program. Protection of the EI program involves several types of activities. In 2001/02, Investigation and Control activities shifted emphasis from detection to prevention and deterrence activities. This shift resulted in a slight reduction in savings to the EI Account, from $553 million in the previous fiscal year to $543 million in 2001/02. This represents savings of $9.16 for every dollar spent on these activities. Total savings comprised overpayments ($161 million), administrative penalties ($84 million) and the value of benefits not paid out ($298 million).

In an effort to reduce the incidence of misuse, EI reform introduced modifications to the manner in which claimants are penalized. Effective January 1997, claimants who knowingly misuse EI receive a "violation" in addition to a financial penalty.[36] The violation requires the claimant to have additional insured hours to qualify for subsequent benefits. Such claimants who re-apply for benefits without having met the additional entrance requirements create savings in terms of benefits that are not paid. In 2001/02, there were an estimated 6,600 individuals who were unable to establish a claim as a direct result of higher entrance requirements. These cases resulted in estimated savings to the EI Account of over $35 million.[37]

[35] The intensity rule was eliminated effective October 1, 2000. MIE was reduced to $750 in 1996, then converted to $39,000 per year in 1997 and frozen at that level until the year 2000. The Family Supplement provision was fully implemented as of 2000. Modifications to the benefit repayment provision implemented with EI reform were further adjusted (Bill C-2) and as a result the provision was mature as of tax year 1999.

[36] Refer to Annex 1 of the *2000 Monitoring and Assessment Report* for information on violations.

[37] Savings have been estimated based on the number of individuals unable to qualify due to a violation and the average duration and entitlement.

Annex 1

Income Benefits Data Tables

1.1 Unemployment Rates by EI Region

1.2 Total Income Benefits

1.3 Total Income Benefits by Industry

1.4 Regular Benefits

1.5 Distribution of Claims for Regular Benefits by Duration of Insured Employment

1.6 Fishing Benefits

1.7 Frequent Claimants

1.8 Special Benefits

1.9 Maternity Benefits

1.10 Parental Benefits (Biological)

1.11 Parental Benefits (Adoptive)

1.12 Sickness Benefits

1.13 Family Supplement

1.14 Working While on Claim

1.15 Benefit Repayment Provision

1.1

Unemployment Rates by EI Region (%)

	June 2000	Sept. 2000	Dec. 2000	March 2001	June 2001	Sept. 2001	Dec. 2001	March 2002
Newfoundland and Labrador								
St. John's	9.2	9.3	8.9	8.3	8.7	9.7	9.2	8.7
Newfoundland/Labrador	20.1	20.3	22.3	21.2	21.1	19.2	20.1	22.2
Prince Edward Island								
Prince Edward Island	11.3	12.3	12.9	11.4	12.0	11.8	12.1	13.3
Nova Scotia								
Eastern Nova Scotia	15.4	18.7	16.5	16.4	18.6	16.3	15.7	14.9
Western Nova Scotia	8.9	9.8	10.0	9.6	10.5	10.6	9.8	11.0
Halifax	5.5	6.2	6.0	7.3	6.6	6.9	7.3	7.7
New Brunswick								
Fredericton-Moncton-St. John	7.5	8.1	7.6	8.6	8.7	9.0	8.0	7.9
Madawaska-Charlotte	10.2	13.9	14.2	15.5	14.9	13.5	14.2	14.4
Restigouche-Albert	16.1	15.5	15.6	17.3	16.8	16.9	17.2	17.3
Quebec								
Gaspésie--Îles-de-la-Madeleine	20.1	19.0	20.9	21.6	20.3	19.0	19.4	19.8
Québec	8.3	8.7	6.8	7.1	8.6	8.2	7.4	7.4
Trois-Rivières	10.7	11.3	10.0	9.5	7.9	9.5	11.0	11.6
Quebec Centre South	5.3	5.0	6.8	5.3	5.5	5.7	6.2	5.5
Sherbrooke	8.7	7.5	7.7	8.7	7.2	6.6	8.6	8.5
Montérégie	7.5	6.8	6.4	7.3	7.9	7.3	7.5	8.4
Montréal	7.7	7.8	7.9	8.0	8.2	7.6	8.8	8.9
Central Quebec	11.2	10.2	9.8	10.2	10.4	9.3	9.8	11.0
North Western Quebec	17.7	16.7	15.7	16.7	17.8	17.8	17.7	16.7
Bas-Saint-Laurent--Côte-Nord	11.2	16.8	18.2	18.9	18.5	15.1	15.1	15.6
Hull	4.9	6.8	5.7	6.8	7.8	7.7	6.3	7.7
Chicoutimi-Jonquière	9.7	8.8	10.1	10.5	10.8	11.2	11.6	12.2
Ontario								
Ottawa	5.3	5.8	4.9	4.4	5.2	7.7	7.0	7.3
Eastern Ontario	7.5	7.2	5.9	7.7	6.0	6.6	8.0	8.0
Kingston	7.4	5.9	5.2	6.6	7.4	6.4	4.9	6.5
Central Ontario	5.7	6.1	5.1	4.8	4.9	7.0	6.8	7.0
Oshawa	5.7	5.8	5.6	5.4	5.2	5.5	6.1	8.3
Toronto	5.3	5.4	5.7	5.8	6.0	6.4	6.8	6.9
Hamilton	4.7	4.5	5.9	5.9	6.5	6.1	6.2	6.5
St. Catharines	5.6	5.5	6.6	7.6	6.5	5.5	5.7	7.2
London	6.3	6.1	6.0	6.1	6.3	6.5	6.6	6.9
Niagara	7.6	7.5	7.8	7.1	5.0	5.5	8.4	8.1
Windsor	5.3	4.6	5.5	6.7	6.4	7.1	6.3	8.8
Kitchener	4.8	5.8	6.3	5.9	5.7	6.3	6.7	6.5
Huron	6.3	7.9	8.6	10.0	9.0	7.0	7.0	9.0
South Central Ontario	3.5	3.9	4.6	4.0	3.8	4.7	5.0	5.7
Sudbury	7.2	8.4	8.6	7.7	8.3	9.5	9.2	10.9
Thunder Bay	5.7	7.7	7.2	7.8	8.2	8.7	8.8	8.2
Northern Ontario	11.1	12.6	13.8	12.7	11.3	12.6	11.2	11.6

1.1

Unemployment Rates by EI Region (%)

	June 2000	Sept. 2000	Dec. 2000	March 2001	June 2001	Sept. 2001	Dec. 2001	March 2002
Manitoba								
Winnipeg	5.4	5.2	5.0	5.0	5.2	5.4	5.0	5.8
Southern Manitoba	4.6	5.0	5.4	5.0	6.0	6.1	5.2	5.3
Northern Manitoba	21.9	22.8	22.3	22.6	22.7	22.6	24.1	25.6
Saskatchewan								
Regina	4.9	5.2	4.8	5.3	5.8	5.2	5.4	5.6
Saskatoon	5.9	6.0	5.4	5.9	6.4	5.4	6.9	5.6
Southern Saskatchewan	5.9	6.4	6.7	6.2	6.7	7.0	6.7	6.7
Northern Saskatchewan	12.6	13.6	13.6	14.3	14.2	14.3	14.6	15.3
Alberta								
Calgary	5.1	4.5	4.1	4.8	4.3	4.7	4.6	5.0
Edmonton	5.3	6.2	5.8	5.3	5.5	4.1	5.5	5.1
Northern Alberta	9.6	10.8	9.9	8.7	9.7	9.7	8.9	9.5
Southern Alberta	6.3	6.8	6.4	6.2	6.0	5.9	5.9	6.7
British Columbia								
Southern Interior BC	10.8	10.7	10.1	9.5	9.7	10.9	10.2	9.9
Abbotsford	7.0	9.4	7.9	7.0	5.8	6.1	7.7	7.3
Vancouver	5.6	6.1	6.0	6.0	5.7	6.5	8.2	8.3
Victoria	6.8	8.2	7.3	6.2	6.8	6.7	6.6	8.1
Southern Coastal BC	8.7	11.0	10.2	10.1	11.4	12.1	13.2	12.0
Northern BC	11.6	13.6	13.1	12.1	12.5	12.3	13.2	15.5
Territories[1]								
Yukon	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Northwest Territories	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Nunavut	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
CANADA	**7.2**	**7.4**	**7.4**	**7.4**	**7.5**	**7.7**	**7.8**	**8.4**

Source: Labour Force Survey

Shaded regions indicate those that participated in the original Small Weeks adjustment projects.

1. The Yukon, Northwest Territories and Nunavut unemployment rate is set at 25% for EI purposes since the territories are not included in the Labour Force Survey.

Total Income Benefits

	New Claims[1]					Average Weekly Benefit					Amount Paid[2]				
	2001/ 2002 (000)	Percentage Change 2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($)	Percentage Change 2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($M)	Percentage Change 2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory															
Newfoundland and Labrador	90	4.4	1.8	-2.9	-5.9	294	2.6	5.8	2.5	-3.0	672.8	10.7	2.4	0.4	-6.3
Prince Edward Island	26	7.4	4.4	-4.1	-2.6	281	3.2	5.6	2.1	-3.5	158.5	6.7	4.1	-4.5	-6.6
Nova Scotia	89	2.1	2.9	-1.1	-11.8	285	3.3	3.5	1.9	-1.2	542.7	10.2	4.0	-3.3	-16.7
New Brunswick	95	2.1	0.3	-2.4	-8.6	283	2.2	5.7	2.6	-3.3	627.5	15.4	2.0	-5.9	-15.1
Quebec	602	8.0	2.1	-2.2	-11.1	294	2.7	4.3	0.8	0.5	3,459.8	19.6	-0.4	-6.1	-16.3
Ontario	555	16.5	7.8	-9.1	-19.3	317	1.6	4.0	1.4	0.4	3,289.9	39.3	1.7	-10.5	-15.9
Manitoba	59	8.9	0.2	-6.2	-15.2	284	1.4	2.2	3.0	1.1	319.3	20.9	-1.7	-1.4	-16.8
Saskatchewan	44	3.8	-1.7	-9.5	-17.7	294	1.7	3.1	-0.4	3.2	253.1	10.0	1.5	-5.8	-19.4
Alberta	133	11.2	-6.5	-14.0	-21.4	318	3.9	3.9	-2.3	1.7	758.6	21.3	-12.2	-5.3	-32.1
British Columbia	230	11.5	-0.5	-12.1	10.0	316	3.2	3.2	-0.4	0.0	1,406.7	28.4	-7.1	-13.2	-11.5
Nunavut	1	12.9	-5.7	N/A	N/A	329	-2.8	1.2	N/A	N/A	10.0	23.2	-11.3	N/A	N/A
Northwest Territories	2	2.3	-11.5	-4.2	-14.6	368	8.0	0.6	-1.0	2.2	18.1	3.7	-8.7	-2.5	-13.7
Yukon	2	-6.0	-8.4	-1.4	3.3	346	1.2	-0.5	2.4	3.8	19.2	-5.0	-6.1	-12.6	0.8
Sex															
Men	1,056	10.3	4.6	-9.8	-13.9	334	2.3	3.9	0.3	-0.8	6,440.7	19.0	-0.9	-10.5	-17.8
Women	874	9.7	-0.1	-2.6	-13.9	267	3.1	3.8	2.3	1.3	5,095.5	30.7	-1.2	-2.9	-13.6
Age															
Under 25	253	7.8	2.5	-6.8	-20.9	251	3.8	5.1	1.5	2.0	1,237.2	26.4	-0.4	-6.4	-22.8
25 to 44	1,105	9.6	0.4	-8.0	-15.2	313	2.7	3.8	0.8	-0.5	7,099.0	26.7	-2.8	-7.8	-17.5
45 to 54	382	11.4	6.8	-4.1	-6.3	311	2.1	4.6	-0.2	-1.1	2,105.7	18.0	2.6	-6.7	-9.3
55 and over	191	12.9	5.7	-2.3	-8.1	300	1.5	4.3	-0.3	-0.6	1,094.3	16.2	2.5	-7.4	-11.6
EI History[3]															
First-time Claimants	815	19.5	7.3	-3.2	-10.0	294	4.1	3.4	0.7	1.8	4,963.4	39.4	0.0	-3.0	-11.0
Occasional Claimants	574	7.6	3.3	-7.2	-20.2	296	2.7	4.8	1.0	0.9	3,255.6	21.6	-0.4	-7.3	-21.4
Frequent Claimants	541	0.5	-4.0	-9.7	-11.7	326	1.8	5.1	0.5	-2.6	3,317.3	8.0	-2.6	-12.1	-16.3
NATIONAL	**1,930**	**10.0**	**2.4**	**-6.6**	**-13.9**	**304**	**2.6**	**4.1**	**0.6**	**0.0**	**11,536.2**	**23.9**	**-1.0**	**-7.4**	**-16.1**

Source: EI Administrative Data

N/A = not applicable

1. Includes claims on which at least $1 of EI benefits was paid.
2. Amount paid represents benefit payments under regular, fishing, special (sickness, maternity, parental/adoption), employment (Sec. 25 of EI Act) and work sharing benefits. Payments under Part II of the EI Act are not included.
3. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

1.3

Total Income Benefits by Industry

	2001/2002 ($M)	Percentage Change 2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Primary					
Agriculture	221	7.7	-0.5	-8.7	-17.2
Fishing and Trapping	130	15.0	5.4	-7.1	-12.9
Fish Harvesting (self-employed)[1]	250	-0.5	7.1	-1.3	1.2
Logging and Forestry	291	11.2	-3.6	-17.1	-5.9
Mining	185	17.1	-15.8	-25.7	-10.3
Manufacturing	2,208	35.9	2.8	-5.9	-18.8
Construction	1,525	11.6	-1.0	-12.8	-21.4
Transportation, Storage and Communications					
Transportation and Storage	440	25.9	-7.2	-9.3	-8.3
Communications	193	37.2	-18.6	-6.0	-2.9
Trade and Commerce					
Wholesale Trade[2]	619	25.4	5.3	-28.6	8.2
Retail Trade	729	13.0	-5.0	-5.2	-22.0
Finance, Insurance and Real Estate					
Finance and Insurance	309	33.3	-6.0	4.6	2.5
Real Estate	130	17.6	-1.8	-11.9	-18.7
Community, Business and Personal Services					
Business Services	967	50.4	1.9	-5.5	-11.0
Education	575	25.0	-6.3	2.1	-13.6
Health and Social Services	633	31.1	-5.8	-7.4	-14.5
Accommodation, Food and Beverage Services	487	13.0	-1.9	-7.0	-10.6
Other Services	703	18.5	-1.3	-11.8	-15.2
Public Administration					
Government Services[2]	717	19.2	3.6	44.4	-46.7
Unclassified	224	54.7	14.4	-5.8	-4.0
ALL INDUSTRIES	**11,536**	**23.9**	**-1.0**	**-7.4**	**-16.1**

Source: EI Administrative Data

1. Includes fishing benefits paid to self-employed fishers as well as other types of benefits collected by these claimants, such as special benefits and employment benefits (Part II).
2. There were changes to the process for assigning classification codes in 1999/00 to these sectors that affect results reported.

Regular Benefits

	New Claims[1]					Average Weekly Benefit					Amount Paid[2]				
	2001/2002 (000)	Percentage Change 2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002 ($)	Percentage Change 2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002 ($M)	Percentage Change 2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory															
Newfoundland and Labrador	72	3.5	0.4	-3.9	-10.0	283	3.6	6.4	0.4	-2.7	503.3	12.0	-1.0	0.0	-10.0
Prince Edward Island	20	1.8	3.0	-6.4	-1.8	265	1.9	6.1	1.4	-2.2	113.2	3.1	3.2	-8.3	-7.0
Nova Scotia	72	0.4	2.6	-1.6	-14.1	282	3.3	4.3	2.4	-0.3	413.2	7.0	5.5	-4.0	-19.0
New Brunswick	80	1.0	-0.8	-4.2	-11.1	281	1.7	6.4	2.6	-3.1	508.0	12.8	1.8	-7.6	-17.0
Quebec	496	5.4	0.2	-3.2	-14.0	295	2.7	4.7	0.8	0.8	2,636.3	14.4	-2.7	-6.6	-17.0
Ontario	397	14.9	8.4	-13.0	-23.7	320	1.2	5.0	1.4	1.1	2,039.6	30.8	2.4	-15.4	-19.0
Manitoba	42	5.2	-2.3	-7.8	-20.0	288	1.3	2.5	2.1	1.8	195.2	10.4	-4.1	-4.1	-22.0
Saskatchewan	33	1.9	-3.2	-10.9	-22.6	301	1.7	3.6	-1.1	5.2	169.1	-0.5	-0.1	-6.1	-24.0
Alberta	91	9.7	-12.2	-18.6	-29.8	329	4.5	4.5	-2.8	3.1	436.1	6.0	-18.1	-8.2	-41.0
British Columbia	173	11.0	-3.1	-13.7	-13.0	319	3.2	4.0	-0.4	0.4	959.3	22.6	-10.2	-14.9	-13.0
Nunavut	1	4.4	-2.2	N/A	N/A	337	1.0	1.0	N/A	N/A	7.1	15.8	-11.3	N/A	N/A
Northwest Territories	2	-3.1	-17.3	-2.4	-23.2	374	10.3	1.5	-1.6	3.1	12.4	-0.1	-15.0	-0.9	-19.2
Yukon	2	-5.1	-6.1	-8.3	2.2	350	2.0	0.2	1.4	4.7	15.5	-4.6	-8.5	-18.3	0.7
Sex															
Men	902	8.6	3.1	-11.0	-16.2	333	2.2	4.2	0.1	-0.7	5,486.6	19.0	-2.0	-11.2	-19.0
Women	578	6.9	-2.5	-4.7	-19.5	260	3.3	4.9	2.2	2.0	2,521.4	13.4	-4.2	-5.4	-18.0
Age															
Under 25	188	6.4	0.0	-9.4	-27.2	258	4.3	5.6	1.1	3.1	811.3	20.2	-2.6	-9.1	-28.0
25 to 44	809	6.6	-1.4	-10.5	-19.3	313	2.7	4.6	0.5	-0.1	4,453.7	16.3	-5.1	-10.2	-21.0
45 to 54	324	10.5	5.3	-5.0	-8.0	312	2.1	4.8	-0.3	-1.1	1,801.6	18.8	1.1	-7.8	-10.0
55 and over	159	11.3	4.7	-2.7	-9.6	301	1.5	4.6	-0.4	-0.2	941.5	15.7	1.8	-8.5	-12.0
EI History[3]															
First-time Claimants	505	17.6	6.1	-6.5	-16.9	291	4.5	4.5	0.5	3.6	2,677.1	29.0	-2.9	-5.6	-15.0
Occasional Claimants	475	7.6	2.6	-8.4	-23.7	298	3.0	5.4	0.6	1.1	2,438.1	18.2	-1.6	-8.3	-24.0
Frequent Claimants	500	-0.1	-4.8	-10.1	-12.7	324	1.8	5.2	0.3	-2.4	2,892.8	7.3	-3.5	-12.8	-17.0
NATIONAL	**1,480**	**7.9**	**0.8**	**-8.5**	**-17.6**	**305**	**2.7**	**4.8**	**0.4**	**0.5**	**8,008.0**	**17.2**	**-2.7**	**-9.4**	**-19.0**

Source: EI Administrative Data

N/A = not applicable

1. Includes claims on which at least $1 of regular benefits was paid.
2. Amount paid includes Family Supplement top-ups paid to regular claimants.
3. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Distribution of Claims for Regular Benefits by Duration of Insured Employment[1]

	New Claims[2] 2001-2002			Percentage Change 2000/01–2001/02			Percentage Change 1999/00–2000/01			Percentage Change 1998/99–1999/00			Percentage Change 1995/96–1997/98		
	Short spells[3]	Medium spells[4]	Long spells[5]	Short spells[3]	Medium spells[4]	Long spells[5]	Short spells[3]	Medium spells[4]	Long spells[5]	Short spells[3]	Medium spells[4]	Long spells[5]	Short spells[3]	Medium spells[4]	Long spells[5]
Province/Territory															
Newfoundland and Labrador	7,680	43,570	20,890	-2.7	4.5	4.0	-6.0	-2.1	9.2	-13.6	-4.6	2.9	-56.4	6.3	11.2
Prince Edward Island	2,250	12,010	5,900	21.6	-0.7	0.7	3.4	0.4	8.7	-19.7	-4.4	-5.6	-66.0	19.5	52.8
Nova Scotia	4,830	39,700	27,050	-4.5	-1.5	4.2	-4.3	0.1	8.4	1.0	-1.2	-2.8	-59.4	-11.9	8.0
New Brunswick	5,210	49,140	25,950	19.2	-0.1	0.1	-15.6	-3.8	8.9	-18.9	-4.4	0.0	-70.8	4.7	22.7
Quebec	23,700	279,230	193,180	-5.4	4.9	7.7	0.7	-3.2	5.7	-5.8	-3.1	-2.9	-47.2	-14.6	-5.0
Ontario	11,500	184,950	200,150	3.9	10.4	20.2	-7.4	0.2	19.5	-13.6	-9.2	-17.1	-41.7	-27.0	-17.8
Manitoba	1,700	23,190	16,740	-4.5	5.6	5.7	-15.6	-6.7	6.5	13.4	-3.9	-15.4	-52.0	-20.2	-14.1
Saskatchewan	1,260	18,940	13,210	9.6	2.3	0.6	-2.5	-4.7	-1.1	-18.6	-2.8	-20.0	-62.1	-27.3	-7.2
Alberta	2,240	43,250	45,480	1.8	3.9	16.3	-29.7	-13.9	-9.1	-8.5	-11.5	-25.9	-52.1	-32.4	-23.8
British Columbia	6,520	86,440	79,870	-3.0	1.9	24.6	-15.9	-6.2	3.2	-10.2	-10.9	-17.8	-36.2	-14.5	-6.9
Nunavut	30	540	370	0.0	-1.8	15.6	-25.0	7.8	-13.5	N/A	N/A	N/A	N/A	N/A	N/A
Northwest Territories	30	780	770	-40.0	-17.0	20.3	-66.7	-19.7	-1.5	-26.9	20.9	-22.1	-42.3	-27.3	-10.7
Yukon	90	1,320	650	-25.0	-0.8	-9.7	20.0	-1.5	-16.3	-23.1	-13.5	3.6	-54.2	-8.3	38.8
Sex															
Men	37,470	446,850	417,920	2.9	5.8	12.3	-6.2	-3.3	12.6	-11.1	-8.2	-14.4	-56.3	-21.8	5.2
Women	29,570	336,210	212,290	-4.4	3.6	14.5	-7.3	-3.5	0.1	-7.8	-3.2	-6.7	-45.9	-10.4	-25.5
Age															
Under 25	8,260	111,510	68,700	4.6	3.7	11.3	-1.0	-3.3	6.5	-4.0	-8.0	-12.7	-58.0	-29.2	-14.1
25 to 44	34,210	409,780	364,460	-3.3	2.9	12.2	-11.1	-5.4	5.4	-11.9	-8.6	-12.7	-53.4	-19.2	-11.3
45 to 54	14,260	172,400	137,770	-4.2	8.3	15.3	-3.5	-0.2	14.8	-9.7	-1.6	-9.1	-45.8	-6.1	-1.8
55 and over	10,310	89,370	59,280	12.2	9.1	14.6	2.1	0.4	12.8	-3.1	2.4	-10.5	-50.2	-5.7	-3.7
EI History[6]															
First-time Claimants	7,600	213,470	284,320	0.9	9.6	25.1	7.9	1.2	10.6	-4.6	-3.7	-9.0	-30.8	-17.2	-16.3
Occasional Claimants	28,920	244,380	201,960	1.4	6.0	10.5	-3.0	-2.2	10.5	-1.6	-4.9	-14.0	-41.9	-23.8	-20.1
Frequent Claimants	30,520	325,210	143,930	-2.5	1.2	-2.5	-12.6	-6.8	1.8	-16.0	-8.1	-13.2	-58.8	-13.0	25.2
NATIONAL	**67,040**	**783,060**	**630,210**	**-0.5**	**4.9**	**13.0**	**-6.7**	**-3.4**	**8.1**	**-9.6**	**-6.1**	**-11.8**	**-52.4**	**-17.4**	**-9.2**

Source: EI Administrative Data

N/A = not applicable

1. Due to a methodological change, percent changes have been revised back to 1995/96.
2. Includes claims on which at least $1 of regular benefits was paid.
3. Short spells - duration of insured employment is at the minimum entrance requirement or up to two weeks above the minimum entrance requirement.
4. Medium spells - duration of insured employment is two weeks greater than the minimum entrance requirement but less than six months.
5. Long spells - duration of insured employment is at least six months over the minimum entrance requirement.
6. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Fishing Benefits

	New Claims[1]					Average Weekly Benefit					Amount Paid[2]				
		Percentage Change					Percentage Change					Percentage Change			
	2001/ 2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($M)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory															
Newfoundland and Labrador	13,050	6.2	13.2	4.6	29.1	375	-1.1	2.4	10.1	-13.1	108.8	0.5	15.3	7.8	17.9
Prince Edward Island	3,016	23.9	18.5	3.9	-18.2	395	2.2	2.1	0.0	-6.6	24.7	19.7	7.0	6.4	-18.2
Nova Scotia	4,491	7.4	0.1	-14.2	-1.8	392	4.2	2.2	-1.3	-9.3	36.3	9.0	-9.8	-11.4	-9.9
New Brunswick	2,871	4.4	2.2	1.5	2.0	398	3.7	1.6	-0.8	-6.1	22.3	3.4	7.2	-3.4	-13.5
Quebec	1,965	5.5	50.5	0.5	10.2	383	1.1	1.1	0.0	-10.9	13.2	6.4	24.3	-5.7	-6.0
Ontario	114	4.6	-11.4	24.2	-10.3	335	-0.2	-2.9	4.9	-4.3	1.0	-18.5	4.4	35.1	-30.9
Manitoba	845	27.5	1.8	17.9	-7.3	349	-3.4	5.2	3.6	-8.2	7.0	2.3	16.1	24.1	6.2
Saskatchewan	154	20.3	19.6	-3.6	50.9	307	-2.3	-2.8	4.2	-14.5	1.0	18.3	22.2	-5.5	6.5
Alberta	43	-17.3	18.2	-17.0	66.7	366	8.2	2.1	2.8	-16.0	0.4	33.9	-19.6	16.3	123.4
British Columbia	3,961	6.6	7.5	-16.2	6.0	367	0.2	8.6	-0.6	-3.0	31.6	6.2	5.8	-13.9	-3.6
Nunavut	10	0	N/A	N/A	N/A	335	-13.5	N/A	N/A	N/A	0.0	-100.0	-86.0	N/A	N/A
Northwest Territories	30	25.0	-27.3	-32.7	17.6	329	-2.6	-9.8	3.6	-1.3	0.5	51.3	15.6	24.8	163.5
Yukon	2	-60.0	-16.7	200.0	-20.0	315	-7.0	-2.6	-15.7	-11.0	0.0	-100.0	361.5	-80.0	-11.1
Sex															
Men	25,677	7.8	8.8	-4.5	-3.9	385	1.0	2.9	5.4	-9.5	209.6	4.7	6.2	-1.9	-1.0
Women	4,875	10.8	24.4	12.0	15.9	351	-1.0	5.0	4.1	-10.4	37.3	5.3	24.8	9.8	-7.0
Age															
Under 25	2,337	0.4	11.2	5.8	-57.3	356	-2.4	2.5	3.3	-5.2	19.2	-4.7	13.2	11.2	-6.6
25 to 44	15,143	5.2	9.1	-3.3	363.9	382	0.8	2.7	9.7	-9.6	123.0	2.2	7.5	-2.7	-3.2
45 to 54	8,327	11.0	12.8	-1.4	-74.3	383	0.6	3.4	3.7	-10.6	66.8	7.3	11.9	0.7	2.8
55 and over	4,745	18.3	14.4	-6.3	-83.7	381	2.1	4.0	4.4	-10.7	37.8	15.4	4.0	-0.2	0.1
EI History[3]															
First-time Claimants	1,381	1.0	-5.5	-55.0	-91.8	343	-2.8	0.9	9.0	-5.8	10.9	-15.1	-7.6	6.2	93.5
Occasional Claimants	4,037	-20.7	1.9	-13.2	350.8	350	-3.3	1.1	6.5	-9.2	33.1	-16.9	-2.2	15.1	35.8
Frequent Claimants	25,134	15.5	14.6	10.9	492.7	387	1.1	3.2	1.4	-8.7	202.9	10.9	12.7	-4.2	-8.5
NATIONAL	**30,552**	**8.2**	**11.0**	**-2.5**	**7.8**	**380**	**0.7**	**3.0**	**3.7**	**-9.4**	**246.9**	**4.8**	**8.6**	**-0.5**	**-1.7**

Source: EI Administrative Data

N/A = not applicable

1. Includes claims on which at least $1 of fishing benefits was paid.
2. Amount paid includes Family Supplement top-ups paid to fishing claimants.
3. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Frequent Claimants[1]

	New Claims[2]					Average Weekly Benefit					Amount Paid				
		Percentage Change					Percentage Change					Percentage Change			
	2001/ 2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($M)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory															
Newfoundland and Labrador	53,633	9.7	5.3	-2.0	-10.7	324	2.1	7.1	3.1	-4.1	412.0	15.2	7.2	-5.9	-11.1
Prince Edward Island	15,547	6.1	3.7	-5.1	-6.7	300	3.0	6.0	3.3	-6.5	100.5	6.3	2.5	-7.0	-11.5
Nova Scotia	38,818	-0.3	-1.1	-7.1	-9.3	313	2.4	6.1	1.0	-4.0	254.4	5.5	3.1	-10.3	-18.0
New Brunswick	48,790	-1.3	-2.7	-6.1	-7.9	308	2.1	6.9	2.0	-4.4	347.2	10.5	0.0	-9.1	-15.6
Quebec	194,818	0.0	-5.2	-7.8	-9.3	323	1.9	5.5	0.5	-2.4	1,093.6	6.6	-5.4	-10.7	-14.7
Ontario	82,933	-1.9	-7.8	-14.6	-17.9	344	1.5	4.1	0.6	-1.3	392.8	3.4	-4.4	-20.5	-17.3
Manitoba	12,529	-1.7	-7.9	-8.8	-17.9	315	0.7	4.2	1.0	0.0	61.9	0.3	-4.9	-5.9	-21.8
Saskatchewan	10,700	-2.2	-4.0	-11.7	-22.2	328	0.7	4.6	0.1	1.0	57.7	-3.9	2.3	-8.1	-27.2
Alberta	17,069	-4.7	-7.4	-22.9	-28.9	361	2.1	4.0	-1.5	-0.3	86.8	-3.5	-8.4	-21.5	-42.7
British Columbia	48,453	1.2	-5.2	-13.4	-12.4	346	2.0	4.6	-0.8	-2.3	276.1	13.7	-9.1	-18.2	-15.7
Nunavut	246	56.7	-7.6	N/A	N/A	350	1.1	9.1	N/A	N/A	1.6	-6.7	38.4	N/A	N/A
Northwest Territories	468	26.8	-35.4	8.0	-5.3	383	-0.9	12.2	-2.1	-2.9	4.5	22.3	-6.0	-36.5	-4.7
Yukon	790	-6.2	-3.4	-11.9	-11.4	389	4.0	2.7	-1.3	-3.6	6.8	1.0	2.3	-22.6	-23.2
Sex															
Men	354,812	1.4	-3.2	-10.1	-12.4	357	1.2	4.9	-0.1	-3.3	2,395.8	8.1	-1.9	-13.5	-16.6
Women	169,982	-1.3	-6.0	-8.4	-13.0	264	2.9	5.6	2.5	-0.9	699.9	5.5	-4.8	-8.5	-17.0
Age															
Under 25	15,111	1.6	-9.8	-20.0	-29.3	318	2.9	7.7	3.4	-2.5	91.1	8.5	-11.3	-15.3	-34.8
25 to 44	275,335	-3.0	-7.9	-12.1	-16.4	334	2.1	5.3	0.7	-2.3	1,659.6	4.5	-6.2	-14.6	-19.9
45 to 54	151,312	3.8	1.4	-5.4	-3.2	324	1.7	5.4	-0.2	-3.5	862.7	11.4	3.1	-9.6	-7.6
55 and over	83,036	7.0	2.0	-3.2	-3.9	312	1.8	5.1	0.0	-3.0	482.3	11.4	3.7	-6.7	-9.7
Seasonality[3]															
Seasonal	419,804	0.9	-3.7	-7.5	-11.2	329	2.0	5.2	0.4	-2.5	2,435.7	5.8	-1.8	-10.6	-16.6
Non-seasonal	104,990	-1.2	-5.6	-16.8	-17.0	318	1.3	5.3	0.3	-3.3	660.1	14.4	-5.7	-18.7	-16.9
NATIONAL	**524,794**	**0.5**	**-4.1**	**-9.6**	**-12.6**	**327**	**1.9**	**5.2**	**0.4**	**-2.7**	**3,095.7**	**7.5**	**-2.6**	**-12.4**	**-16.7**

Source: EI Administrative Data

N/A = not applicable

1. This includes both regular and fishing claims.
2. Includes claims on which at least $1 of regular or fishing benefits was paid.
3. Individuals who started previous claims at about the same time of the year as their current claim are considered seasonal claimants.

Special Benefits[1]

	New Claims[2]					Amount Paid				
		Percentage Change					Percentage Change			
	2001/ 2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002 ($M)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory										
Newfoundland and Labrador	8,470	14.8	9.3	-7.3	5.3	38.7	42.4	11.7	-1.6	3.1
Prince Edward Island	2,880	-1.4	12.7	13.6	18.2	12.8	33.9	12.7	13.8	38.8
Nova Scotia	16,890	8.6	10.8	4.4	-4.6	77.1	41.3	9.1	8.3	-2.5
New Brunswick	16,990	8.5	3.8	11.7	6.8	70.6	44.2	0.9	11.4	7.7
Quebec	129,880	10.3	6.8	8.7	-3.7	671.6	49.2	8.1	6.4	-4.3
Ontario	159,650	9.4	4.4	1.9	-4.0	1,133.5	56.6	3.4	2.5	-2.9
Manitoba	16,400	9.2	8.0	-2.2	-1.8	93.7	57.3	1.0	4.8	-0.2
Saskatchewan	11,290	6.3	4.4	-2.6	2.4	70.3	50.1	8.2	-2.1	1.3
Alberta	41,880	11.1	6.6	0.5	5.3	270.5	64.1	4.3	5.0	8.9
British Columbia	60,320	8.1	7.0	-1.6	-5.4	363.0	53.4	5.7	-2.0	0.8
Nunavut	340	21.4	-6.7	N/A	N/A	2.7	53.9	12.5	N/A	N/A
Northwest Territories	600	1.7	25.5	-13.5	0.0	4.0	18.5	17.1	-18.0	1.6
Yukon	330	-15.4	-23.5	50.0	8.6	2.3	-16.3	14.0	49.8	24.8
Sex										
Men	130,600	12.0	14.1	4.6	-3.9	427.5	31.5	15.9	5.8	3.1
Women	335,320	8.6	3.2	2.6	-2.1	2,383.4	58.4	3.2	2.9	-1.7
Age										
Under 25	57,290	8.2	8.0	3.5	8.4	278.8	64.6	7.1	6.6	8.4
25 to 44	308,510	9.7	4.2	2.5	-4.2	2,239.5	59.4	3.4	2.5	-2.3
45 to 54	63,890	7.6	12.4	5.9	-1.3	186.4	13.7	18.1	8.7	5.4
55 and over	36,230	13.3	8.4	2.9	-4.4	106.1	16.4	10.8	3.2	-3.1
NATIONAL	**465,920**	**9.5**	**6.0**	**3.1**	**-2.5**	**2,810.8**	**53.6**	**5.2**	**3.3**	**-1.0**

Source: EI Administrative Data

N/A = not applicable

1. For a breakdown of maternity, parental and sickness benefits, please see Tables 1.9, 1.10, 1.11 and 1.12.
2. Includes claims on which at least $1 of maternity, parental or sickness benefits were paid.

Maternity Benefits

	New Claims[1]					Average Number of Weeks Paid					Average Weekly Benefit					Amount Paid				
		Percentage Change					Percentage Change					Percentage Change					Percentage Change			
	2001/2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002 ($)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002 ($M)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory																				
Newfoundland and Labrador	2,520	12.5	-4.3	-2.5	12.0	14.3	-1.0	0.7	2.9	-0.7	266	1.7	6.9	-5.9	-7.3	10.1	13.3	0.7	3.7	8.7
Prince Edward Island	820	-10.9	0.0	17.9	51.5	14.3	1.7	0.0	-2.1	-1.7	293	19.9	-6.8	9.3	-5.4	3.5	4.5	6.4	6.5	51.8
Nova Scotia	5,360	3.3	2.4	2.4	8.3	14.4	-0.2	0.7	0.0	-1.6	265	4.2	-1.2	4.4	-8.7	20.0	4.0	2.6	6.7	-4.9
New Brunswick	4,500	15.1	-8.9	15.0	18.5	14.4	-0.3	0.7	1.4	1.0	265	8.3	-2.0	4.8	-5.2	16.9	22.9	-11.4	16.5	8.2
Quebec	45,030	10.2	0.0	3.3	-6.7	14.5	0.4	0.0	0.7	-0.6	286	1.6	2.5	2.6	-3.4	192.8	15.0	3.5	3.0	-8.5
Ontario	79,320	10.6	-1.4	2.4	0.1	14.6	0.1	0.7	0.0	-0.9	309	2.2	0.9	1.8	-3.6	365.4	16.5	-1.0	2.0	-4.0
Manitoba	6,980	10.6	-3.1	-3.3	3.4	14.6	0.4	1.4	-1.4	-0.1	268	2.2	1.4	5.6	-4.3	27.8	17.0	-4.7	3.4	-2.0
Saskatchewan	5,660	7.2	-2.0	1.9	4.3	14.6	-0.4	1.4	0.0	0.0	270	2.5	0.9	5.7	-6.5	22.5	10.1	4.2	-0.2	-1.0
Alberta	19,840	11.1	3.5	-1.1	6.7	14.5	-0.3	0.7	0.0	-0.3	284	3.7	2.3	2.1	-5.7	82.8	20.2	1.5	3.9	5.4
British Columbia	22,340	8.6	4.5	-7.5	1.6	14.5	0.4	0.7	-0.7	-0.6	296	3.8	-0.4	1.4	-5.7	98.3	16.2	2.8	-7.7	-0.4
Nunavut	190	5.6	5.9	N/A	N/A	14.5	0.2	2.1	N/A	N/A	344	-1.5	6.9	N/A	N/A	0.9	1.4	9.1	N/A	N/A
Northwest Territories	310	-11.4	12.9	-5.9	1.8	14.4	2.6	-2.8	-2.7	-4.8	335	2.4	-6.2	-1.1	-3.4	1.3	-20.5	9.0	-10.4	2.8
Yukon	150	-37.5	0.0	33.3	31.3	13.7	-7.2	0.7	2.8	-0.5	292	-10.9	-6.4	19.9	-4.5	0.7	-43.9	11.9	33.2	44.3
Age																				
Under 25	31,310	7.9	4.1	0.6	24.6	14.4	-0.1	1.6	-0.1	-1.0	198	2.4	3.5	3.1	-10.0	93.7	16.3	6.3	3.9	10.6
25 and over	161,710	10.3	-0.9	1.2	-2.9	14.6	0.2	0.1	0.0	-0.5	313	2.5	1.2	2.1	-2.6	749.2	15.8	0.0	1.3	-4.3
NATIONAL	**193,020**	**9.9**	**-0.1**	**1.1**	**0.4**	**14.6**	**0.1**	**0.3**	**0.0**	**-0.6**	**294**	**2.6**	**1.2**	**2.2**	**-4.4**	**842.9**	**15.8**	**0.7**	**1.6**	**-3.1**

Source: EI Administrative Data

N/A = not applicable

1. Includes claims on which at least $1 of maternity benefits was paid

Parental Benefits (Biological)

	New Claims[1]					Average Number of Weeks Paid[2]					Average Weekly Benefit					Amount Paid				
		Percentage Change					Percentage Change					Percentage Change					Percentage Change			
	2001/ 2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($M)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory																				
Newfoundland and Labrador	2,590	24.5	-0.5	-3.7	13.6	23.8	139.5	13.5	-2.2	-1.9	279	0.6	7.3	-5.9	-4.8	14.9	162.7	1.2	5.3	10.1
Prince Edward Island	900	1.1	14.1	8.3	31.3	19.8	110.9	3.3	3.4	-2.9	301	20.5	-11.6	14.1	-1.4	5.1	151.1	6.7	7.3	65.1
Nova Scotia	5,570	10.1	7.7	5.4	1.4	21.4	121.2	11.4	0.0	-2.4	280	3.8	1.2	4.0	-4.7	29.7	137.2	5.0	20.3	-7.9
New Brunswick	5,040	29.9	-2.5	21.0	16.3	20.4	112.6	11.5	1.2	-4.1	280	7.7	-1.5	5.9	-5.3	25.1	189.2	-1.2	3.6	5.6
Quebec	51,040	20.2	7.7	2.2	-9.0	21.2	124.0	6.7	0.0	-4.0	301	2.9	2.9	2.6	-1.6	285.7	153.9	9.3	1.3	-10.0
Ontario	84,780	16.4	3.0	2.6	-2.6	23.2	137.5	6.5	0.0	-2.3	318	2.3	0.6	2.2	-2.1	552.1	163.6	2.5	1.4	-2.8
Manitoba	7,460	15.7	2.4	-2.6	3.8	23.2	137.3	6.5	0.0	-1.3	281	3.2	0.6	7.5	-2.6	43.1	171.0	-4.0	6.7	-0.3
Saskatchewan	5,910	13.0	1.2	3.4	5.6	23.1	131.1	12.2	-3.2	0.2	280	3.7	0.3	2.8	-6.1	34.1	148.2	10.8	-4.8	0.9
Alberta	20,550	16.0	9.8	-0.8	5.4	23.1	134.0	8.8	0.0	-2.4	295	4.3	1.7	2.4	-3.3	128.0	195.0	0.8	7.2	11.5
British Columbia	24,180	16.7	8.9	-7.6	-0.8	22.9	128.6	11.0	0.0	-3.2	308	4.2	-1.8	2.8	-4.2	157.8	190.2	-1.9	-1.9	4.2
Nunavut	170	6.3	6.7	N/A	N/A	18.8	90.5	6.5	N/A	N/A	341	-4.6	9.1	N/A	N/A	1.2	146.1	18.9	N/A	N/A
Northwest Territories	330	0.0	17.9	-17.3	0.0	21.1	116.4	2.1	4.4	-5.7	341	3.4	-4.5	-1.3	-2.5	1.8	78.7	14.6	-18.0	4.1
Yukon	150	-37.5	4.3	53.3	20.0	25.9	161.4	3.1	-3.0	2.0	307	-11.2	-2.6	13.2	-11.5	1.0	10.0	56.6	34.4	47.1
Sex																				
Men	23,120	77.8	44.0	8.0	-4.5	14.5	79.1	7.6	3.9	3.4	362	0.7	-0.7	2.0	-3.0	102.9	208.4	31.6	9.7	2.0
Women	185,550	12.4	3.2	0.7	-1.9	23.5	138.7	8.8	0.0	-3.0	299	2.4	0.5	2.6	-2.6	1,176.9	163.0	1.8	1.6	-2.2
Age																				
Under 25	31,110	14.3	13.2	-0.2	18.0	22.2	129.3	11.4	0.0	-3.7	214	4.0	3.0	3.8	-5.2	138.7	191.6	7.2	4.0	6.1
25 and over	177,560	17.7	4.0	1.3	-4.6	22.6	131.9	7.7	0.1	-2.4	322	2.8	1.1	2.4	-1.5	1,141.1	163.4	3.0	1.8	-2.7
NATIONAL	**208,670**	**17.2**	**5.3**	**1.1**	**-2.0**	**22.5**	**131.4**	**7.7**	**0.0**	**-2.8**	**306**	**3.1**	**0.9**	**2.6**	**-2.7**	**1,279.8**	**166.2**	**3.4**	**2.0**	**-2.0**

Source: EI Administrative Data

N/A = not applicable

1. Includes claims on which at least $1 of parental benefits (biological) was paid.
2. As of December 31, 2000, the number of weeks of entitlement for parental benefits was increased from 10 to 35. Due to the fact that not all claims commencing during the reporting period are complete, the full impact of the increase in weeks paid is not reflected in the data.

Parental Benefits (Adoptive)

	New Claims[1]					Average Number of Weeks Paid[2]					Average Weekly Benefit					Amount Paid				
		Percentage Change					Percentage Change					Percentage Change					Percentage Change			
	2001/ 2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/ 2002 ($M)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory																				
Newfoundland and Labrador	20	100.0	-50.0	100.0	0.0	33.0	120.0	20.0	25.0	36.4	240	-42.0	65.9	-9.8	-7.2	0.06	-1.4	-2.0	58.0	9.8
Prince Edward Island	20	N/A	N/A	-100.0	200.0	27.5	N/A	N/A	-100.0	-6.7	314	N/A	N/A	-100.0	29.2	0.13	N/A	N/A	-100.0	1,035.2
Nova Scotia	120	500.0	-33.3	0.0	0.0	26.5	76.7	28.2	13.6	108.3	379	-3.3	25.2	-24.2	-13.4	0.88	650.7	-29.8	125.4	105.6
New Brunswick	60	500.0	-50.0	-50.0	100.0	30.5	117.9	16.7	1.7	2.4	319	-22.8	18.8	-4.5	14.3	0.50	765.7	-53.3	-27.0	52.2
Quebec	550	66.7	-38.9	12.5	-40.0	27.5	116.8	11.4	-9.5	3.0	353	13.7	-12.2	2.4	-3.5	4.13	194.7	-35.5	9.4	-22.1
Ontario	1,050	98.1	12.8	-20.3	19.4	26.8	106.3	8.3	6.2	0.9	363	-1.0	-3.0	6.3	3.6	9.30	350.5	-12.6	12.2	15.4
Manitoba	100	0.0	0.0	-33.3	120.0	25.6	120.7	12.6	0.0	0.9	333	6.9	-0.8	13.9	-30.0	0.87	149.4	-18.5	-3.5	21.4
Saskatchewan	60	200.0	-50.0	300.0	66.7	23.8	138.3	-16.7	20.0	0.0	368	23.3	-25.0	-3.6	-21.5	0.40	570.8	-68.9	290.1	85.6
Alberta	250	13.6	22.2	-10.0	-18.2	26.6	147.9	4.9	2.0	3.4	313	-1.9	-9.4	5.8	-13.0	1.52	93.1	23.3	6.6	-11.8
British Columbia	320	39.1	64.3	-41.7	-40.9	29.1	141.9	21.2	1.0	29.8	359	0.5	12.0	-10.8	15.2	3.09	249.0	92.2	-50.4	-32.3
Nunavut	50	150.0	-60.0	N/A	N/A	27.4	291.4	-14.6	N/A	N/A	264	-36.0	41.1	N/A	N/A	0.27	143.3	-8.1	N/A	N/A
Northwest Territories	0	-100.0	0.0	-60.0	-100.0	0	N/A	-40.0	-13.3	-100.0	0	N/A	0.0	0.2	-100.0	0	-100.0	-40.0	-60.2	-49.1
Yukon	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A
Sex																				
Men	470	147.4	0.0	-17.4	-34.8	19.0	96.1	9.0	8.5	-11.7	377	1.1	0.0	1.4	-3.7	2.97	309.1	57.4	-36.2	-22.7
Women	2,130	62.6	-7.1	-16.1	-9.8	29.0	130.2	9.6	0.0	7.2	346	1.9	-3.1	3.5	-2.5	18.18	250.1	-17.7	3.2	-1.3
Age																				
Under 25	50	66.7	50.0	100.0	-66.7	28.4	184.0	42.9	75.0	0.0	198	4.5	-16.8	-44.8	-34.2	0.26	194.9	184.7	N.C.	-55.5
25 and over	2,550	73.5	-7.0	-16.8	-12.5	27.2	121.6	9.3	0.6	5.7	354	2.3	-2.2	3.8	-3.1	20.88	258.3	-13.5	-1.4	-3.3
NATIONAL	**2,600**	**73.3**	**-6.3**	**-16.2**	**-13.5**	**27.2**	**122.6**	**9.4**	**0.9**	**5.7**	**351**	**2.3**	**-2.7**	**3.2**	**-3.2**	**21.15**	**257.3**	**-12.6**	**-1.0**	**-3.9**

Source: EI Administrative Data

N/A = not applicable

N/C = not calculated

1. Includes claims on which at least $1 of parental benefits (adoptive) was paid.
2. As of December 31, 2000, the number of weeks of entitlement for parental benefits was increased from 10 to 35. Due to the fact that not all claims commencing during the reporting period are complete, the full impact of the increase in weeks paid is not reflected in the data.

Sickness Benefits

	New Claims[1]					Average Number of Weeks Paid					Average Weekly Benefit					Amount Paid				
		Percentage Change					Percentage Change					Percentage Change					Percentage Change			
	2001/2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002 ($)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98	2001/2002 ($M)	2000/01 2001/02	1999/00 2000/01	1998/99 1999/00	1995/96 1997/98
Province/Territory																				
Newfoundland and Labrador	5,950	4.6	13.6	-4.9	5.8	9.0	0.6	12.5	-3.6	-12.1	247	-1.4	5.9	-4.0	-5.1	13.6	8.7	27.9	-9.4	-6.6
Prince Edward Island	1,990	-5.7	11.1	22.6	12.1	7.7	-9.0	10.4	6.9	-5.5	249	1.0	4.4	-3.4	-3.5	4.0	-2.8	22.0	27.8	13.2
Nova Scotia	11,360	4.1	14.2	4.5	-4.8	9.3	4.3	2.3	1.2	1.9	253	2.6	0.8	2.4	-0.2	26.6	16.8	18.5	2.8	2.7
New Brunswick	12,140	0.5	4.7	11.7	4.3	8.9	1.1	3.5	0.0	2.6	252	2.0	2.9	0.4	-3.5	28.1	6.2	9.8	11.7	8.0
Quebec	77,630	3.7	9.2	13.8	0.4	9.0	2.3	2.3	1.2	0.7	261	0.4	2.6	0.7	1.0	188.9	12.0	12.9	14.3	9.2
Ontario	74,310	-0.9	7.8	1.8	-4.7	9.8	2.5	2.1	2.2	0.9	283	0.8	3.0	1.1	-1.4	206.7	4.1	12.6	4.6	-0.8
Manitoba	8,910	1.3	15.8	-1.0	-5.2	9.4	1.0	1.1	2.2	-1.0	254	0.0	4.7	2.4	-0.5	22.0	12.2	14.8	5.6	2.3
Saskatchewan	5,440	-2.7	9.2	-5.5	1.2	9.5	2.7	5.7	-3.3	-2.3	258	0.7	5.9	0.8	-2.3	13.3	5.4	13.8	-3.4	5.2
Alberta	21,510	3.9	6.0	4.1	10.7	9.9	3.6	0.0	2.2	1.0	275	2.4	5.5	-0.8	1.0	58.2	12.3	11.2	4.5	12.7
British Columbia	36,790	1.0	6.5	4.2	-7.5	9.8	0.2	4.3	1.1	0.0	284	2.0	1.5	1.7	-1.2	103.8	7.3	12.8	4.8	0.3
Nunavut	100	25.0	0.0	N/A	N/A	9.6	-4.0	37.0	N/A	N/A	259	-30.5	20.7	N/A	N/A	0.3	18.4	25.7	N/A	N/A
Northwest Territories	270	12.5	50.0	-11.1	13.3	8.4	12.7	-25.0	9.6	25.0	370	18.7	-13.9	-0.4	-9.4	0.8	26.6	56.8	-21.2	2.2
Yukon	180	20.0	-46.4	86.7	-5.3	9.8	-15.7	30.3	15.6	5.6	312	2.6	-5.3	2.9	-8.4	0.6	-2.2	-17.9	107.4	-22.6
Sex																				
Men	107,570	3.6	11.3	4.4	-3.7	9.2	-0.7	3.4	1.1	0.9	312	1.2	1.9	0.3	-0.7	321.6	10.5	14.3	5.6	3.3
Women	149,010	0.1	6.4	7.0	-0.4	9.6	3.8	2.2	1.1	-0.2	241	0.5	3.2	1.4	0.1	345.4	6.5	12.1	8.4	3.5
Age																				
Under 25	27,040	-1.0	9.1	9.7	3.0	8.0	5.0	0.0	2.7	1.2	212	3.0	4.1	1.1	-1.6	46.1	12.1	8.4	15.8	6.8
25 to 44	130,460	-3.3	6.8	6.0	-2.0	9.2	2.6	3.4	1.2	1.1	275	0.9	2.6	0.9	-0.6	337.4	4.8	11.9	6.4	4.4
45 to 54	62,880	7.3	12.0	5.8	-1.5	9.8	-0.4	3.1	2.1	0.2	283	0.5	2.8	1.2	1.0	177.9	10.3	18.1	8.4	5.0
55 and over	36,200	13.4	8.3	3.1	-4.8	10.6	-0.3	1.9	-1.0	-1.7	276	0.1	3.3	-0.2	-1.1	105.6	16.1	11.2	3.5	-3.5
NATIONAL	**256,580**	**1.5**	**8.4**	**6.0**	**-1.8**	**9.4**	**2.1**	**3.3**	**1.1**	**0.3**	**271**	**1.0**	**2.9**	**0.7**	**-0.5**	**667.0**	**8.4**	**13.1**	**7.1**	**3.4**

Source: EI Administrative Data

N/A = not applicable

1. Includes claims on which at least $1 of sickness benefits was paid.

Family Supplement[1]

	New Claims[2] with Supplement	% of all claims with Supplement	Average weekly top-up ($)	Average weekly benefit ($)	Amount Paid					
					Amount Paid ($000)	Share of total amount (%)	% Change 2000/01 2001/02	% Change 1999/00 2000/01	% Change 1998/99 1999/00	% Change 1995/96 1997/98
Province/Territory										
Newfoundland and Labrador	8,490	9.4	39	249	8,620	4.9	-15.6	-20.0	20.9	18.1
Prince Edward Island	2,790	10.7	41	244	2,914	1.7	-12.5	-2.2	14.0	-7.3
Nova Scotia	9,140	10.3	42	240	8,809	5.0	0.2	-4.2	16.9	-3.7
New Brunswick	10,610	11.1	41	251	10,657	6.1	-5.0	-6.2	11.2	7.9
Quebec	56,520	9.4	42	254	52,306	29.8	7.0	-2.7	13.8	-9.1
Ontario	50,650	9.1	43	258	45,350	25.8	33.5	3.9	3.5	-10.9
Manitoba	7,620	12.8	48	255	8,507	4.8	15.7	10.5	1.9	-2.1
Saskatchewan	6,000	13.5	48	255	5,753	3.3	10.5	7.2	5.1	13.7
Alberta	13,180	9.9	42	248	12,217	6.9	19.4	-2.1	7.3	-13.4
British Columbia	21,810	9.5	43	264	20,077	11.4	13.8	-3.2	6.3	18.5
Nunavut	180	13.7	34	258	196	0.1	43.4	-9.8	N/A	N/A
Northwest Territories	190	8.6	40	319	175	0.1	-26.5	-37.6	10.9	84.1
Yukon	140	5.9	48	311	205	0.1	-0.3	-18.8	32.1	72.8
Sex										
Men	52,560	5.0	44	299	48,473	27.6	-8.7	-11.8	2.7	54.8
Women	134,760	15.4	42	238	127,310	72.4	22.0	3.3	14.8	-21.2
Age										
Under 25	27,580	10.9	37	212	25,980	14.8	47.5	2.6	13.7	-4.5
25 to 44	138,510	12.5	44	262	134,385	76.4	7.3	-2.4	10.1	-0.8
45 to 54	19,220	5.0	37	265	13,844	7.9	5.8	-8.4	5.9	-13.6
55 and over	2,010	1.1	37	261	1,575	0.9	6.3	2.0	0.4	-43.2
EI History[3]										
First-time Claimants	92,810	11.4	43	242	91,179	51.9	33.1	6.6	18.8	-5.5
Occasional Claimants	58,840	10.2	43	258	55,435	31.5	6.9	-0.7	7.1	-12.0
Frequent Claimants	35,670	6.6	40	284	29,170	16.6	-21.2	-17.2	2.3	12.2
NATIONAL	**187,320**	**9.7**	**42**	**255**	**175,784**	**100.0**	**11.7**	**-2.3**	**10.0**	**-3.4**

Source: EI Administrative Data

N/A = not applicable

1. Includes all claim types (regular, fishing, and special).
2. Includes claims on which at least $1 of EI benefits was paid.
3. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Working While on Claim[1,2]

	New Claims				Percentage Change			As % new regular claims			
	2000/01[3]	1999/00	1998/99	1996/97	1999/00 2000/01	1998/99 1999/00	1996/97 1997/98	2000/01	1999/00	1998/99	1996/97
Province/Territory											
Newfoundland and Labrador	50,780	51,310	53,900	50,520	-1.0	-4.8	-0.8	73.0	73.7	74.3	72.1
Prince Edward Island	13,130	13,550	14,710	14,040	-3.1	-7.9	2.6	67.5	70.8	71.3	68.3
Nova Scotia	46,460	47,150	49,570	53,150	-1.5	-4.9	-4.8	65.6	67.5	69.5	70.1
New Brunswick	56,330	56,350	62,010	62,280	0.0	-9.1	0.0	71.4	70.3	73.8	69.6
Quebec	294,370	302,550	322,100	369,110	-2.7	-6.1	-7.7	61.7	63.5	65.5	67.9
Ontario	176,970	160,110	195,080	231,710	10.5	-17.9	-11.3	49.6	49.3	52.3	53.7
Manitoba	20,580	20,860	24,460	24,940	-1.3	-14.7	-6.4	51.0	50.8	54.9	55.1
Saskatchewan	16,970	18,220	21,950	20,600	-6.9	-17.0	-6.2	51.3	53.1	57.3	58.0
Alberta	42,370	50,280	64,050	61,430	-15.7	-21.5	-14.4	50.1	52.4	54.5	59.4
British Columbia	92,290	95,180	114,320	120,270	-3.0	-16.7	-1.6	58.4	58.3	60.7	61.4
Nunavut	540	490	N/A	0	10.2	N/A	N/A	56.3	55.1	N/A	N/A
Northwest Territories	980	1,180	1,740	1,800	-16.9	-4.0	-13.3	60.1	59.6	58.8	62.5
Yukon	1,200	1,320	1,430	1,570	-9.1	-7.7	14.6	54.8	57.9	56.3	57.3
Sex											
Men	491,600	481,100	562,550	590,650	2.2	-14.5	-4.1	58.2	59.0	61.5	62.8
Women	321,370	337,450	362,770	420,770	-4.8	-7.0	-11.1	58.5	59.8	61.2	62.2
Age											
Under 25	99,070	103,190	118,020	132,760	-4.0	-12.6	-11.2	55.2	57.4	59.3	62.3
25 to 44	452,240	466,940	541,430	615,600	-3.1	-13.8	-8.4	58.7	60.0	62.3	64.3
45 to 54	186,970	177,800	192,400	190,600	5.2	-7.6	-0.7	62.6	62.9	64.8	64.0
55 and over	74,690	70,620	73,470	72,460	5.8	-3.9	-4.2	51.4	50.9	51.8	48.5
Benefit Levels											
Less than $50	570	650	890	410	-12.3	-27.0	197.6	47.1	58.0	55.6	51.9
$50 - $100	10,630	14,260	17,030	26,390	-25.5	-16.3	-4.3	55.9	56.9	57.8	57.9
$101 - $150	56,080	68,390	81,330	101,580	-18.0	-15.9	-5.4	57.7	58.1	59.2	59.5
$151 - $200	102,730	119,380	134,630	147,670	-13.9	-11.3	-6.0	55.8	57.8	58.5	59.6
Greater than $201	642,960	615,870	691,440	735,370	4.4	-10.9	-7.7	58.9	59.8	62.4	63.8
NATIONAL	**812,970**	**818,550**	**925,320**	**1,011,420**	**-0.7**	**-11.5**	**-7.0**	**58.3**	**59.3**	**61.4**	**62.6**

Source: EI Administrative Data

N/A = not applicable

1. This analysis includes claimants who worked while on claim and still received some benefits for those weeks, as well as claimants who received earnings high enough to reduce their benefits to zero for some weeks.
2. As a result of methodological change, results have been revised back to 1996/97.
3. Given that some claims straddle two fiscal years, the most recent year for this analysis is for claims established in 2000/01.

Benefit Repayment Provision

	People who repaid benefits				Amount Repaid			
	2000	% Change 1999 - 2000	% Change 1998 - 1999	% Change 1997 - 1998[1]	2000 ($M)	% Change 1999 - 2000	% Change 1998 - 1999	% Change 1997 - 1998[1]
Province/Territory								
Newfoundland and Labrador	3,028	-48.2	73.8	57.5	4.0	-65.7	113.7	106.4
Prince Edward Island	495	-43.5	10.9	89.4	0.8	-62.0	11.8	143.1
Nova Scotia	4,155	-45.8	57.0	77.7	6.0	-62.7	88.4	143.7
New Brunswick	2,467	-41.5	61.3	80.5	2.7	-62.4	83.7	132.3
Quebec	18,334	-48.0	32.0	67.4	14.2	-66.3	35.5	108.6
Ontario	22,608	-49.9	3.2	41.6	16.5	-67.6	33.1	47.8
Manitoba	1,061	-54.0	27.0	30.9	1.0	-66.3	41.3	67.3
Saskatchewan	1,581	-48.2	46.1	29.1	1.5	-59.7	67.5	79.1
Alberta	8,947	-45.0	50.5	29.6	7.2	-63.7	75.5	75.8
British Columbia	11,127	-50.7	27.5	25.4	9.0	-66.5	47.3	58.9
Nunavut	0	-100.0	N/A	N/A	0.0	-100.0	N/A	N/A
Northwest Territories	228	-51.2	-4.1	30.9	0.2	-64.0	0.4	63.5
Yukon	151	-62.7	35.0	12.8	0.2	-73.2	39.1	61.0
NATIONAL[2]	**74,186**	**-48.5**	**25.0**	**44.7**	**63.2**	**-65.7**	**48.8**	**76.1**

Source: Benefit Repayment Administrative File (June 2002)

N/A = not applicable

1. Figures for 1997 were revised due to updates in data files.
2. Provincial figures do not add to national total because non-residents are included.

Annex 2

Employment Benefits and Support Measures Data Tables

2.1 Overview of Labour Market Development Agreements

2.2 EBSM Program Definition

2.3 EBSM Client Profile

2.4 Clients Served by Client Types

2.5 EBSM Designated Member – Women

2.6 EBSM Designated Member – Persons with Disabilities

2.7 EBSM Designated Member – Aboriginal Peoples

2.8 EBSM Designated Member – Visible Minorities

2.9 New Interventions

2.10 EBSM and Pan-Canadian Activities – Part I – Final Expenditures

2.11 EBSM Part II – Final Expenditures

2.12 EI Part II Pan-Canadian – Final Expenditures

2.13 Returns to Employment and Unpaid Benefits Indicators

2.14 Regular EBSM Results – Returns to Work by Intervention

Overview of Labour Market Development Agreements

Federal/Provincial/Territorial

Province/Territory	Type of Agreement[1]	Signature Date	Implementation Date	Allocation ($000)[2] 2002/2003	2001/2002	2000/2001
Newfoundland and Labrador	Co-management	March 24, 1997	March 24, 1997	129,371	127,531	126,151
Prince Edward Island	Co-management	April 26, 1997	April 26, 1997	25,640	25,138	24,516
Nova Scotia	Co-management (Strategic Partnership)	April 24, 1997	November 1, 1997	80,774	80,205	79,916
New Brunswick	Transfer	December 13, 1996	April 1, 1997	91,235	90,425	89,991
Quebec	Transfer	April 1, 1997 November 28, 1997	April 1, 1998	597,316	595,741	594,424
Ontario	No agreement concluded	N/A	N/A	526,154	531,255	537,695
Manitoba	Transfer	April 17, 1997	November 27, 1997	48,958	49,521	49,867
Saskatchewan	Transfer	February 6, 1998	January 1, 1999	38,931	38,857	38,488
Alberta	Transfer	December 6, 1996	November 1, 1997	112,102	112,819	112,661
British Columbia	Co-management	April 25, 1997	April 25, 1997	289,458	288,999	287,023
Northwest Territories	Transfer	February 27, 1998	October 1, 1998	3,652	3,448	3,267
Yukon	Co-management	January 24, 1998	February 1998	4,080	4,051	3,993
Nunavut	Transfer	May 11, 2000	April 1, 2000	2,329	2,091	2,008
Canada				**1,950,000**	**1,950,081**	**1,950,000**

NA = not applicable

1. Provinces or territories with transfer agreements assume responsibility for the design and delivery of active employment measures funded through the EI program. Transfer agreements also include functions of the National Employment Service that may differ from one agreement to the next. In co-management agreements the Government of Canada and each provincial/territorial government jointly assume responsibility for the planning, design, and evaluation of active employment measures, while HRDC continues to deliver programs and services through its service delivery network.
2. This chart does not include funds that are transferred to cover administration costs.

Employment Benefits and Support Measures
Program Definitions

Labour Market Development Agreements (LMDAs)

LMDAs provide the frameworks in which EBSM delivery takes place. These agreements exist in two forms: co-managed agreements and transfer agreements. Nova Scotia has a Strategic Partnership, which is similar to a co-managed agreement. In those jurisdictions with co-managed agreements, each provincial/territorial government has assumed joint responsibility for the planning and evaluation of active employment measures, while HRDC continues to deliver programs and services through its service delivery network. In those jurisdictions with transfer agreements, provincial/territorial governments have assumed full responsibility for the design and delivery of active employment measures funded through the EI program. For more information on LMDAs, please refer to the *2000 Employment Insurance Monitoring and Assessment Report* at http://www.hrdc-drhc.gc.ca/ae-ei/loi-law/eimar.shtml.

Employment Benefits (Programs)

Targeted Wage Subsidies assist eligible unemployed individuals to obtain on-the-job work experience by providing employers with financial assistance towards the wages of insured participants whom they hire. This benefit encourages employers to hire unemployed individuals whom they would not normally hire in the absence of a subsidy.

Targeted Earnings Supplements enable some people currently on EI or the longer term unemployed to accept low-wage jobs. Temporarily topping up low-wage jobs means that people who would not enter at the lower wage rate can re-enter the work force.
(The Supplément de retour au travail in Quebec is the only program currently in place that is similar to this program.)

Self-Employment provides financial assistance and business planning advice to EI-eligible participants to help them start their own business. This financial assistance is intended to cover personal living expenses and other expenses during the initial stages of the business.

Job Creation Partnership projects provide insured participants with opportunities to gain work experience that will lead to ongoing employment. Activities of the project help develop the community and the local economy.

Skills Development helps insured participants obtain skills for employment through direct financial assistance enabling them to select, arrange for, and pay for their own training.

Support Measures (Services)

Employment Assistance Services (which includes Employment Assistance Services interventions, Employment Group Services, and Individual Counselling) provide funding to organizations to enable them to provide employment services to unemployed persons. These services may include counselling, action planning, job search skills, job finding clubs, job placement services, the provision of labour market information, case management and follow-up.

Labour Market Partnerships provide funding to help employers, employee and/or employer associations, and communities improve their capacity for dealing with human resource requirements and to implement labour force adjustments. It involves the development of plans and strategies and the implementation of adjustment measures.

Research and Innovation supports activities that identify better ways of helping people prepare for or keep employment, and to be productive participants in the labour force. Funds are provided to eligible recipients to enable them to carry out demonstration projects and research for this purpose.

EBSM Client Profile[1]

2001/2002

Clients Served (%)	
Gender	
Men	56.9%
Women	43.1%

Age	
15 to 19	5.1%
20 to 24	16.7%
25 to 29	15.4%
30 to 44	41.1%
45+	21.7%

EI Clients Served	
Active Claimants	82.9%
Former Claimants	17.1%

Client to Participant Ratio	
Clients	570,200
Interventions	795,300
Ratio	1.39

Participation in interventions as a % of total	
Targeted Wage Subsidies	3.6%
Self-Employment	1.5%
Job Creation Partnerships	1.3%
Skills Development - Regular	11.7%
Skills Development - Apprentices	5.2%
Employment Assistance	44.8%
Group Services	8.8%
Individual Counselling	19.9%
Supplément de retour au travail	1.0%
Pan-Canadian	2.1%
Total	100.0%

Designated Group	Participation Rate
Women	44.6%
Aboriginal Peoples	6.6%
Persons with Disabilities	3.8%
Visible Minorities	5.1%

Source: Client Data Set

1. Data in this table includes LMDA and pan-Canadian clients.

Clients Served by Client Types[1]

2001/2002

	EI Clients				Non-Insured	Total
	EI Active Claimants[2]		Former Claimants			
	Target	Clients Served	Clients Served	Total	Clients Served	Clients Served
Newfoundland and Labrador	10,016	9,363	3,046	12,409	838	13,247
Prince Edward Island	3,000	2,975	469	3,444	567	4,011
Nova Scotia[3]	8,575	6,866	1,355	8,221	1,221	9,442
New Brunswick	65%*	12,649	3,021	15,670	3,692	19,362
Quebec	129,870**	112,656	23,345	136,001	34,005	170,006
Ontario[3]	100,000	100,503	9,195	109,698	20,517	130,215
Manitoba	11,200	18,089	3,614	21,703	11,308	33,011
Saskatchewan	5,200	8,449	2,952	11,401	442	11,843
Alberta	30,000	36,886	10,669	47,555	37,398	84,953
British Columbia[3]	35,000	43,593	12,918	56,511	26,855	83,366
Northwest Territories	400	192	29	221	32	253
Yukon	759	417	118	535	243	778
Nunavut	197	95	45	140	7	147
Regular EBSM Total	**N/A**	**352,733**	**70,776**	**423,509**	**137,125**	**560,634**
Pan-Canadian	**N/A**	**3,516**	**2,711**	**6,227**	**3,339**	**9,566**
Canada	**N/A**	**356,249**	**73,487**	**429,736**	**140,464**	**570,200**

Source: Client Data Set

N/A: not applicable

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions. Includes clients that did not complete their interventions. Differences may exist between operational data and the administrative data contained in this table.
2. EI Active Claimants served is a success indicator that refers to the number of Part I claimants accessing EBSMs. In Quebec this indicator refers to the number of EI clients served (active and former).
3. Some clients served with regular Part II funds are included with pan-Canadian.

* The New Brunswick Labour Market Development Agreement requires that the province provide the EI Active Claimant target as a percentage of all EI clients served.

** Quebec's target refers to total EI clients served.

EBSM Designated Member - Women[1]

New Starts by Intervention (%) – 2001/2002

	Nfld.	P.E.I.	N.S.	N.B.[2]	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Nunavut	Canada
Employment Programs														
Targeted Wage Subsidies	53.9	46.0	42.6	36.9	48.6	44.1	31.1	36.9	48.4	44.1	33.3	25.0	47.6	**45.4**
Self-Employment	38.3	32.2	38.6	39.5	36.7	42.3	35.6	41.4	43.6	45.8	-	48.4	0.0	**41.0**
Job Creation Partnerships	35.8	51.1	47.3	53.2	-	50.4	36.4	-	54.7	46.8	-	0.0	-	**44.5**
Skills Development - Regular	38.0	50.7	39.4	41.2	46.9	41.5	51.6	54.5	53.7	46.0	40.0	37.0	30.1	**44.9**
Skills Development - Apprentices	3.0	2.9	2.3	8.6	-	4.7	1.7	2.8	4.3	4.8	4.3	5.2	0.0	**4.3**
Total Employment Programs	**34.4**	**44.9**	**34.4**	**35.9**	**46.7**	**32.3**	**30.0**	**13.1**	**21.1**	**34.1**	**10.1**	**31.8**	**25.2**	**35.7**
Employment Services														
Employment Assistance	47.0	60.8	61.0	51.0	50.8	48.9	52.2	39.2	47.1	48.3	-	44.4	0.0	**48.8**
Individual Counselling	41.9	52.6	63.8	47.9	43.9	48.6	42.1	39.6	-	47.6	53.5	43.2	-	**45.9**
Supplément de retour au travail (Que. only)	-	-	-	-	40.8	-	-	-	-	-	-	-	-	**40.8**
Total Employment Services	**42.1**	**56.0**	**61.8**	**48.6**	**48.2**	**48.8**	**45.6**	**39.5**	**47.1**	**48.1**	**53.5**	**44.1**	**0.0**	**47.8**
Pan-Canadian[3]	**32.2**	**53.7**	**47.2**	**41.9**	**40.7**	**46.2**	**47.5**	**44.2**	**46.0**	**46.0**	**53.7**	**35.8**	**34.9**	**45.5**
Grand Total - Programs and Services	**37.1**	**50.6**	**45.9**	**43.3**	**47.6**	**44.2**	**43.6**	**31.6**	**43.5**	**45.5**	**39.4**	**38.5**	**28.5**	**44.6**

Source: Participant Data Set

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions.
2. Participation in "SD - Apprentices" is overstated as a result of a data mapping issue. Data provided by the province indicates that the participation rate of women in apprenticeship is 1.4%.
3. Includes Aboriginal Human Resources Development Activities.

EBSM Designated Member – Persons with Disabilities[1]

New Starts by Intervention (%) – 2001/2002

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Nunavut	Canada
Employment Programs														
Targeted Wage Subsidies	3.0	1.8	7.4	2.0	2.3	1.8	4.3	7.5	9.1	4.7	0.0	0.0	9.5	**2.8**
Self-Employment	1.4	3.4	5.7	1.0	1.2	2.1	6.9	9.8	2.7	2.7	-	1.1	0.0	**2.3**
Job Creation Partnerships	1.5	5.7	7.7	2.1	-	2.1	4.7	-	15.8	1.6	-	0.0	-	**4.2**
Skills Development - Regular	3.8	5.7	7.6	1.6	1.5	1.7	3.1	0.0	6.3	5.0	0.0	4.6	2.2	**2.7**
Skills Development - Apprentices	0.4	1.2	0.7	0.4	-	0.1	2.0	0.8	0.2	0.5	1.4	0.0	2.8	**0.4**
Total Employment Programs	**2.6**	**4.4**	**6.4**	**1.6**	**1.6**	**1.3**	**3.2**	**2.9**	**2.8**	**3.3**	**1.2**	**2.7**	**3.3**	**2.3**
Employment Services														
Employment Assistance	7.7	27.3	12.7	3.5	4.5	4.4	8.0	19.2	2.9	5.6	-	3.7	0.0	**4.6**
Individual Counselling	13.4	10.1	14.4	3.6	1.6	2.2	3.7	4.3	-	6.7	3.5	4.3	-	**4.0**
Supplément de retour au travail (Que. only)	-	-	-	-	1.8	-	-	-	-	-	-	-	-	**1.8**
Total Employment Services	**13.1**	**17.3**	**13.2**	**3.6**	**3.5**	**3.5**	**5.2**	**8.5**	**2.9**	**5.9**	**3.5**	**3.9**	**0.0**	**4.4**
Pan-Canadian[2]	**0.9**	**7.3**	**8.9**	**5.5**	**4.0**	**4.2**	**4.6**	**3.0**	**5.0**	**3.6**	**1.0**	**5.6**	**0.0**	**4.1**
Grand Total - Programs and Services	**6.3**	**11.0**	**9.2**	**2.8**	**2.9**	**2.9**	**4.9**	**6.1**	**2.9**	**5.4**	**1.7**	**3.7**	**2.1**	**3.8**

Source: Participant Data Set

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions.
2. Includes clients served under the Aboriginal Human Resource Development Strategy.

EBSM Designated Member – Aboriginal Peoples[1]

New Starts by Intervention (%) – 2001/2002

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Nunavut	Canada
Employment Programs														
Targeted Wage Subsidies	4.8	0.3	1.2	2.3	1.5	0.6	17.4	33.1	9.1	1.7	46.7	0.0	100.0	**3.4**
Self-Employment	1.4	1.1	1.3	0.0	1.1	1.0	7.2	15.6	3.2	2.6	-	2.2	100.0	**2.0**
Job Creation Partnerships	1.7	0.0	2.0	0.6	-	1.9	14.3	-	9.8	3.8	-	0.0	-	**4.0**
Skills Development - Regular	3.8	0.4	1.4	1.8	1.0	0.6	16.4	9.1	4.7	4.2	20.0	8.2	94.6	**2.3**
Skills Development - Apprentices	2.4	0.4	0.5	0.8	-	0.5	9.4	7.8	1.0	1.7	17.3	7.3	27.8	**2.2**
Total Employment Programs	**3.0**	**0.4**	**1.3**	**1.6**	**1.1**	**0.7**	**13.3**	**14.3**	**2.6**	**3.0**	**20.1**	**6.5**	**79.5**	**2.5**
Employment Services														
Employment Assistance	1.3	0.6	0.9	0.8	0.8	0.9	15.3	33.1	10.9	3.7	-	15.9	100.0	**5.6**
Individual Counselling	4.3	0.6	1.1	0.9	0.8	0.8	13.7	13.2	-	3.8	40.3	1.2	-	**4.2**
Supplément de retour au travail (Que. only)	-	-	-	-	0.7	-	-	-	-	-	-	-	-	**0.7**
Total Employment Services	**4.2**	**0.6**	**0.9**	**0.9**	**0.8**	**0.8**	**14.3**	**18.9**	**10.9**	**3.7**	**40.3**	**11.9**	**100.0**	**5.1**
Pan-Canadian[2]	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Grand Total - Programs and Services	**4.7**	**1.2**	**3.5**	**2.1**	**1.6**	**3.3**	**19.8**	**27.1**	**11.1**	**5.6**	**57.3**	**23.3**	**86.8**	**6.6**

Source: Participant Data Set

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions. Some Aboriginal clients have self-identified as Visible Minorities.
2. Includes clients served under the Aboriginal Human Resource Development Strategy.

EBSM Designated Member – Visible Minorities[1]

New Starts by Intervention (%) – 2001/2002

	Nfld.	P.E.I.	N.S.	N.B.	Que.[2]	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Nunavut	Canada
Employment Programs														
Targeted Wage Subsidies	0.0	0.2	3.8	0.6	-	3.4	6.2	3.6	8.4	7.3	20.0	0.0	0.0	**1.8**
Self-Employment	0.0	0.0	0.8	0.5	-	7.4	5.6	3.9	4.8	4.8	-	0.0	0.0	**3.7**
Job Creation Partnerships	0.0	1.1	3.8	0.0	-	3.3	9.8	-	13.2	1.7	-	0.0	-	**3.6**
Skills Development - Regular	0.1	0.2	2.3	0.4	-	5.8	11.5	0.0	21.3	6.8	40.0	0.5	2.2	**3.5**
Skills Development - Apprentices	1.2	0.4	0.7	0.4	-	0.5	6.5	1.9	0.9	2.1	11.5	2.1	11.1	**1.4**
Total Employment Programs	**0.2**	**0.2**	**2.2**	**0.4**	-	**4.1**	**8.9**	**2.4**	**6.5**	**5.1**	**14.8**	**0.7**	**4.0**	**2.8**
Employment Services														
Employment Assistance	0.0	0.9	4.4	0.9	-	7.6	10.7	7.0	8.7	10.0	-	1.2	0.0	**6.9**
Individual Counselling	0.1	1.0	3.4	0.7	-	5.6	8.0	3.9	-	6.0	20.1	0.0	-	**4.2**
Supplément de retour au travail (Que. only)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Employment Services	**0.1**	**0.9**	**4.1**	**0.8**	-	**6.8**	**9.0**	**4.8**	**8.7**	**8.9**	**20.1**	**0.8**	**0.0**	**6.0**
Pan-Canadian[3]	**2.6**	**4.9**	**11.5**	**16.2**	-	**14.4**	**2.7**	**1.3**	**1.6**	**5.7**	**0.5**	**5.6**	**0.0**	**5.7**
Grand Total - Programs and Services	**0.2**	**0.6**	**3.2**	**0.8**	-	**6.2**	**8.5**	**3.6**	**8.3**	**8.1**	**10.6**	**1.5**	**2.6**	**5.1**

Source: Participant Data Set

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions. Some Aboriginal clients have self-identified as Visible Minorities.
2. Data not recorded in the Provincial Management system.
3. Includes clients served under the Aboriginal Human Resource Development Strategy.

New Interventions[1]

2001/2002

	Nfld.	P.E.I.	N.S.[2]	N.B.	Que.	Ont.[2]	Man.	Sask.	Alta.	B.C.[2]	N.W.T.	Yuk.	Nunavut	Canada
Employment Programs														
Targeted Wage Subsidies	796	596	420	2,929	14,273*	4,707	534	1,261	320	2,771	15	8	21	**28,651**
Self-Employment	214	87	389	390	3,521	3,467	320	256	928	2,492	-	91	1	**12,156**
Job Creation Partnerships	3,460	88	598	1,044**	-	1,753	911	-	1,287	931	-	1	-	**10,073**
Skills Development - Regular	5,646	1,768	4,064	5,679	37,595	19,948	2,767	11	4,064	11,353	15	219	93	**93,222**
Skills Development - Apprentices	1,347	245	1,033	1,945	-	11,065	2,416	3,665	12,258	6,975	139	96	36	**41,220**
Total Employment Programs	**11,463**	**2,784**	**6,504**	**11,987**	**55,389**	**40,940**	**6,948**	**5,193**	**18,857**	**24,522**	**169**	**415**	**151**	**185,322**
Employment Services														
Employment Assistance	313	1,218	3,342	3,819	74,670	62,437	14,001	2,577	118,047	75,691	-	428	1	**356,544**
Group Services	383	70	460	8	33,546	33,753	14	634	-	1,405	-	2	-	**70,275**
Individual Counselling	6,026	1,670	1,331	12,883	32,565	41,665	25,877	6,530	-	29,616	144	162	-	**158,469**
Supplément de retour au travail (Que. only)	-	-	-	-	8,149	-	-	-	-	-	-	-	-	**8,149**
Total Employment Services	**6,722**	**2,958**	**5,133**	**16,710**	**148,930**	**137,855**	**39,892**	**9,741**	**118,047**	**106,712**	**144**	**592**	**1**	**593,437**
Total Employment Services – Without Group Services	**6,339**	**2,888**	**4,673**	**16,702**	**115,384**	**104,102**	**39,878**	**9,107**	**118,047**	**105,307**	**144**	**590**	**1**	**523,162**
Pan-Canadian	**230**	**41**	**269**	**253**	**1,232**	**3,812**	**3,337**	**1,928**	**2,175**	**2,797**	**205**	**179**	**83**	**16,541**
Grand Total - Programs and Services	**18,415**	**5,783**	**11,906**	**28,950**	**205,551**	**182,607**	**50,177**	**16,862**	**139,079**	**134,031**	**518**	**1,186**	**235**	**795,300**
Grand Total - Without Group Services	**18,032**	**5,713**	**11,446**	**28,942**	**172,005**	**148,854**	**50,163**	**16,228**	**139,079**	**132,626**	**518**	**1,184**	**235**	**725,025**

Source: Participant Data Set

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions. Interventions refer to new start participants between April 1, 2001 and March 31, 2002. Incomplete interventions are included in this Annex.
2. Some interventions recorded as pan-Canadian were funded through EI Part II.

* Please note that this number is overstated by 1,893 interventions that were funded by the province and could not be removed. In Quebec, TWS also includes interventions that are similar to JCP.

** These interventions were not funded through EI Part II but could not be removed from the data sets used to produce this report.

EBSM and Pan-Canadian Activities
Part I – Final Expenditures[1]

In ($000)/By Intervention – 2001/2002

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Nunavut	Canada
Self-Employment	893	292	2,150	2,101	12,006	14,395	1,816	897	4,788	6,487	297	145	37	**46,304**
Job Creation Partnerships[2]	2,748	169	1,252	62	1,073	4,069	1,576	-	-	1,448	-	16	-	**12,413**
Skills Development	20,354	7,671	15,170	26,097	92,219	88,526	19,486	12,260	43,912	36,607	845	981	375	**364,503**
TOTAL	**23,995**	**8,132**	**18,572**	**28,260**	**105,298**	**106,990**	**22,878**	**13,157**	**48,700**	**44,542**	**1,142**	**1,142**	**412**	**423,220**

Source: Corporate Management System

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions.
2. In Quebec, this amount refers to Pan-Canadian activities.

EBSM Part II – Final Expenditures[1]

In ($000)/By Intervention – 2001/2002

	Nfld.	P.E.I.	N.S.	N.B.	Que.[2]	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Nunavut	NHQ	Canada
Employment Programs*															
Targeted Wage Subsidies	4,613	2,840	3,141	9,585	53,112	18,815	1,694	3,068	1,847	12,123	277	16	177	-	111,308
Self-Employment	3,104	665	4,860	3,258	28,800	47,462	2,512	566	5,128	28,005	196	596	40	-	125,192
Job Creation Partnerships	19,190	622	6,177	-	-	23,880	4,576	-	6,496	8,248	-	28	-	-	69,217
Skills Development	75,982	11,695	33,136	61,526	331,811	191,758	23,888	25,948	66,070	119,266	1,222	1,690	1,494	-	945,486
Total Employment Programs	**102,889**	**15,822**	**47,314**	**74,369**	**413,723**	**281,915**	**32,670**	**29,582**	**79,541**	**167,642**	**1,695**	**2,330**	**1,711**	**-**	**1,251,203**
Employment Services*															
Employment Assistance	10,144	2,054	17,891	11,760	93,895	178,678	9,180	1,780	30,267	99,913	701	1,470	36	-	457,769
Supplément de retour au travail (Que only)	-	-	-	-	3,587	-	-	-	-	-	-	-	-	-	3,587
Total Employment Services	**10,144**	**2,054**	**17,891**	**11,760**	**97,482**	**178,678**	**9,180**	**1,780**	**30,267**	**99,913**	**701**	**1,470**	**36**	**-**	**461,356**
Other*															
Labour Market Partnerships	12,819	7,232	12,329	1,600	84,529	36,631	6,872	6,915	2,983	5,222	610	28	-	-	177,770
Research & Innovation	-	-	-	2,697	-	-	796	582	-	-	-	-	-	-	4,075
Adjustment to Balance[3]	(541)	(3,382)	(748)	80	208	(3,618)	(3)	(34)	130	(1,697)	443	(8)	338	226	(8,606)
Total Other	**12,278**	**3,850**	**11,581**	**4,377**	**84,737**	**33,013**	**7,665**	**7,463**	**3,113**	**3,525**	**1,053**	**20**	**338**	**226**	**173,239**
TOTAL Part II - Regular	**125,311**	**21,726**	**76,786**	**90,506**	**595,942**	**493,606**	**49,515**	**38,825**	**112,921**	**271,080**	**3,449**	**3,820**	**2,085**	**226**	**1,885,798**
Pan-Canadian (see details chart 2.12)	2,704	2,985	3,227	2,138	13,194	20,453	13,008	12,016	12,672	15,028	2,856	1,248	2,148	94,196	**197,873**
Total including Pan-Canadian	**128,015**	**24,711**	**80,013**	**92,644**	**609,136**	**514,059**	**62,523**	**50,841**	**125,593**	**286,108**	**6,305**	**5,068**	**4,233**	**94,422**	**2,083,671**
Administrative costs related to LMDAs[4] (Transfer regions only)				**8,880**	**57,733**		**5,841**	**6,014**	**9,451**		**1,320**		**1,427**		**90,666**

Source: Corporate Management System and Provincial/Territorial Audited Statements

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions.
2. An expenditure of $17M for Labour Market Partnerships is under review.
3. Adjustment to reflect the overpayments established, opening/closing benefits accrual and other discrepancies due to multiple systems connectivity and overcontribution.
4. Administration costs include $86,056 (salary & non-salary) to administer LMDAs, $640 (agreement to develop provincial capacity required for LMDA implementation) and $3,970 for rent.

* Includes expenditures ($17.5M) for Aboriginal groups in Nova Scotia, Ontario and British Columbia.

EI Part II Pan-Canadian – Final Expenditures

In ($000)/By Intervention – 2001/2002

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Nunavut	NHQ	Canada
Aboriginal Human Resource Development Strategy*	**1,828**	**215**	**1,621**	**1,317**	**10,285**	**17,052**	**12,172**	**11,600**	**11,701**	**14,062**	**2,518**	**985**	**2,148**	**1,106**	**88,610**
Programs and Services															
Targeted Wage Subsidies	-	2,397	-	-	-	-	-	-	-	-	-	-	-	-	2,397
Self-Employment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Job Creation Partnerships	-	-	-	-	15	-	-	-	-	-	-	-	-	405	420
Skills Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employment Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	3,294	3,294
Total - Programs and Services	**-**	**2,397**	**-**	**-**	**15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,699**	**6,111**
Other															
Local Labour Market Partnerships	837	345	1,564	821	2,644	3,401	836	416	971	954	338	263	-	-	13,390
Ntl. Labour Market Partnership	39	28	42	-	250	-	-	-	-	-	-	-	-	61,056	61,415
Research and Innovation	-	-	-	-	-	-	-	-	-	12	-	-	-	28,335	28,347
Total Other	**876**	**373**	**1,606**	**821**	**2,894**	**3,401**	**836**	**416**	**971**	**966**	**338**	**263**	**-**	**89,391**	**103,152**
Grand Total	**2,704**	**2,985**	**3,227**	**2,138**	**13,194**	**20,453**	**13,008**	**12,016**	**12,672**	**15,028**	**2,856**	**1,248**	**2,148**	**94,196**	**197,873**

Source: Corporate Management System

* Excludes expenditures ($17.5M) for Aboriginal groups in Nova Scotia, Ontario and British Columbia.

Returns to Employment & Unpaid Benefits Indicators[1]

2001/2002

	Clients who returned to employment[2]						Unpaid Benefits ($M)[2]					
		Results						Results				
	Targets[3]	Apprentices	Group Services	Other	Total[4]	Results vs. Targets %	Targets[3]	Apprentices	Group Services	Other	Total[4]	Results vs. Targets %
Newfoundland and Labrador	6,455	443	138	6,230	6,811	106%	13.80	2.80	0.73	8.36	11.89	86%
Prince Edward Island	2,800	79	31	1,908	2,018	72%	5.00	0.68	0.09	3.38	4.15	83%
Nova Scotia	6,603	606	193	5,449	6,248	95%	16.00	4.77	0.85	7.66	13.28	83%
New Brunswick	6,612	892	0	7,890	8,782	133%	14.70	6.74	0.00	15.24	21.98	150%
Quebec	68,080	0	8,044	52,119	60,163	88%	178.50	0.00	45.29	110.19	155.48	87%
Ontario	61,500	6,780	6,366	30,444	43,590	71%	225.50	52.31	41.11	88.58	182.00	81%
Manitoba	9,200	1,234	14	9,170	10,418	113%	26.00	8.23	0.14	27.94	36.31	140%
Saskatchewan	3,300	1,528	180	2,540	4,248	129%	12.25	11.56	0.86	7.46	19.88	162%
Alberta	22,000	7,755	0	12,088	19,843	90%	117.50	64.65	0.00	48.50	113.15	96%
British Columbia	27,000	3,976	294	21,067	25,337	94%	120.00	32.63	2.11	55.10	89.84	75%
Northwest Territories	300	72	0	55	127	42%	1.75	0.89	0.00	0.32	1.21	69%
Yukon	318	40	0	237	277	87%	1.75	0.41	0.00	0.83	1.24	71%
Nunavut	146	17	0	20	37	25%	0.62	0.20	0.00	0.07	0.27	44%
National Headquarters	N/A	0	0	39	39	N/A	N/A	0.00	0.00	0.08	0.08	N/A
Canada	**214,314**	**23,422**	**15,260**	**149,256**	**187,938**	**88%**	**733.37**	**185.87**	**91.18**	**373.71**	**650.76**	**89%**

Source: Results Data Set

N/A = not applicable

1. Comparisons across jurisdictions are difficult as a result of differences in service delivery and labour market conditions.
2. In addition to the numbers reported in this table, 7,451 returns to work and $13.8 million in unpaid benefits were attributable to Aboriginal EBSM interventions. Of these Aboriginal results, 330 returns to work and $533,914 in unpaid benefits were 2000/01 results that were not included in the 2000/01 report. "Returns to work" is a success indicator that refers to the number of insured participants (including current and former Part I claimants) who are employed and have received support through EBSMs. "Unpaid benefits" is a success indicator that refers to the amount of unpaid Part I benefits to active EI clients and is calculated as the difference between an individual's maximum entitlement to regular income benefits and the actual payout of such benefits.
3. Targets are for regular EBSM clients only.
4. Results are slightly understated due to the use of an Employment Insurance file that uses data beyond the end of the fiscal year.

Regular EBSM Results
Returns to Work by Intervention[1]

2001/2002

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yuk.	Nunavut	NHQ	Canada
Employment Programs															
Targeted Wage Subsidies	538	306	429	1,391	4,868	2,705	210	348	276	1,257	1	4	4	1	12,338
Self-Employment	188	73	390	268	1,956	2,128	122	96	698	1,309	4	6	1	0	7,239
Job Creation Partnerships	1,523	51	334	399	35	694	327	0	664	287	0	19	0	0	4,333
Skills Development - Regular	2,733	1,036	2,859	2,955	17,032	7,754	1,096	3	1,569	4,357	15	99	15	4	41,527
Skills Development - Apprentices	522	79	618	1,136	0	6,833	1,464	2,200	7,769	3,983	72	40	17	0	24,733
Total Employment Programs	5,504	1,545	4,630	6,149	23,891	20,114	3,219	2,647	10,976	11,193	92	168	37	5	90,170
Employment Services															
Employment Assistance	405	224	828	589	13,578	11,253	2,826	482	8,857	11,025	1	101	0	17	50,186
Group Services	138	31	193	0	8,044	6,366	14	180	0	294	0	0	0	0	15,260
Individual Counselling	762	214	545	1,967	9,286	5,818	4,357	939	0	2,808	34	7	0	17	26,754
Supplément de retour au travail (Que. only)	-	-	-	-	5,362	-	-	-	-	-	-	-	-	-	5,362
Other[2]	2	4	52	77	2	39	2	0	10	17	0	1	0	0	206
Total Employment Services	**1,307**	**473**	**1,618**	**2,633**	**36,272**	**23,476**	**7,199**	**1,601**	**8,867**	**14,144**	**35**	**109**	**0**	**34**	**97,768**
Total - Programs and Services	6,811	2,018	6,248	8,782	60,163	43,590	10,418	4,248	19,843	25,337	127	277	37	39	187,938
Target[3]	6,455	2,800	6,603	6,612	68,080	61,500	9,200	3,300	22,000	27,000	300	318	146	N/A	214,314
Results vs. Targets (%)	106%	72%	95%	133%	88%	71%	113%	129%	90%	94%	42%	87%	25%	N/A	88%

NA = not applicable

1. Based on 2001-2002 Employment Results for EBSM interventions. Results have been attached to the last intervention in which an individual participated with Employment Benefits superseding participation in a short-term intervention. Targeted Wage Subsidies results supersede all other results as a result of the calculation methodology.
2. The "Other" category refers to results that do not correspond to any EBSM because of data integrity problems.
3. Targets are for regular EBSM clients only.

Annex 3

Community Profiles[1,2]

1. Atlantic Communities

Clarenville

Clarenville is a major regional centre serving the eastern coast of Newfoundland. Although highly reliant on the fishing industry, employment in retail trade, manufacturing, construction and health and social services constitute important industries within the community. Clarenville has been experiencing net out-migration, with its population falling by about 1.9% annually since 1996.

In 2001/02, the unemployment rate in Clarenville declined by 0.4 percentage points to 20.6%, almost three times the national unemployment rate of 7.4%. Despite the decline in the unemployment rate, the slowdown in market conditions within the shrimp fishery and job losses following the completion of major projects led to increases in EI indicators. Regular and fishing claims increased by 6.7% from 6,280 in 2000/01 to 6,700 in 2001/02. Similarly, frequent claimants continue to comprise a significant proportion of beneficiaries (70%), up from 61.6% over the previous reporting period. Average weeks on claim remained stable at 25 weeks and the proportion of entitlement used by claimants before returning to work remained virtually unchanged (-0.2 percentage points) at 69.5%. Average weekly benefits rose by 1.8% to $294, reflecting the elimination of the intensity rule.

Clarenville is a community that is highly reliant on EI to stabilize incomes. In 2000, 60.1% of those with wages also received some EI benefits, more than four times the national average of 14.4%. Moreover, benefits represented 17.3% of employment earnings, about 10 times the national average of 1.9%.

Prince Edward Island

A large part of Prince Edward Island's economic base consists of highly seasonal activities, especially in the tourism, agriculture and fishing industries.

In 2001/02, the unemployment rate in PEI increased by 12.1%, up 0.1 percentage points from 2000/01, reflecting the fact that labour force growth offset gains in employment. Despite improved labour market conditions boosted by expansions in construction industries resulting from new government, health and tourist related projects, regular and fishing claims increased by 4.2% to 23,176 in 2001/02. The increase in claims can be traced to a rise in fishing claims, which in turn is linked to the increase in multiple fishing claims. Further, frequent claimants continue to comprise a significant proportion (67.1%) of beneficiaries, up 1.2 percentage points from 2000/01. Average weeks on claim declined slightly (-0.7 weeks) to 22 weeks and the percentage of EI entitlement used by claimants before returning to work remained relatively stable (-0.2 percentage points) at 71.2%. Average weekly benefits increased by 3.0% to $282, reflecting the elimination of the intensity rule.

As a result of its seasonal economy, PEI is highly reliant on EI. In 2000, 37.1% of persons with wages also received some EI benefits. Moreover, benefits represented 8.9% of total employment income, more than four times the national average (1.9%).

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[1] The unemployment rates provided represent the unemployment rates for the EI region where the community is located and, therefore, may vary slightly from the unemployment rate in the community. Employment Insurance (EI) figures are for fiscal year 2001/02. Income statistics are reported by the Canada Customs and Revenue Agency (CCRA) for calendar year 2000. Figures related to educational attainment are obtained from 1996 Census data.

[2] EI claims and benefits figures are for regular and fishing claims only. Special benefits are not included.

Truro

Truro is a regional centre located at the head of the Bay of Fundy. A significant part of Truro's economic base consists of activities in manufacturing and tourism, with some dependence on the fishery.

Truro's unemployment rate was 10.4% in 2001/02, up 0.6 percentage points from the previous reporting period. Reflecting growth in construction industries resulting from the development of new projects, EI claims declined by 6.5% to 4,340 in 2001/02. Moreover, the proportion of EI entitlement used by claimants before returning to work declined to 61.6%, from 63.0% in 2000/01. Average weeks spent on claim also remained stable at 20 weeks. The proportion of frequent claimants remained stable (-0.1 percentage points) at 45.6%. Average weekly benefits increased 2.1% to $274.

EI plays a significant role in Truro's economy. In 2000, 22.5% of persons with wages also received some EI benefits. Moreover, benefits represented close to 4% of total employment income, nearly double the national average.

Miramichi

Miramichi is situated within Northumberland County in the northeastern part of New Brunswick. Employment is highly seasonal, with fishing, forestry and tourism constituting the major economic activities.

In 2001/02, the unemployment rate in Miramichi was 17.2%, up 1.9 percentage points from the previous reporting period, and more than double the national average of 7.4%. Regular and fishing claims increased 11.2% to 4,680. A substantial proportion of the rise in claims occurred in the manufacturing sector, which is linked to the streamlining of operations in paper and pulp manufacturing. Moreover, due to the highly seasonal nature of the economy, frequent claimants comprised 57.1% of beneficiaries, down from 62.5% in 2000/01. Reflecting an increase in entitlement weeks (+2.2 weeks), the proportion of entitlement used fell from 68.7% to 64.3%, while the average weeks spent on claim remained stable at 25 weeks. Average weekly benefits increased by 3.9% to $302.

EI plays a major income stabilization role in Miramichi. In 2000, 38% of persons with wages also received some benefits and EI benefits represented about 9% of total employment income, four times the national average.

Table 1
Atlantic Communities

Community	U Rate*		VER** Hours		Entitlement (Weeks)		Duration***		Benefits (Weekly)		% Female	% Frequent
	01/02	Δ	01/02	00/01	01/02	%Δ	01/02	%Δ	01/02	%Δ	01/02	01/02
Clarenville	20.6%	-0.4	420	420	36.8	-1.1	69.5%	-0.3	$294	1.8	38.4	70.0
PEI	12.1%	0.1	470	473	32.2	-2.4	71.2%	-0.3	$282	3.0	39.4	67.1
Truro	10.4%	0.6	531	554	34.1	0.9	61.6%	-2.2	$274	2.1	37.6	45.6
Miramichi	17.2%	1.9	420	420	39.7	5.9	64.3%	-6.4	$302	3.9	38.2	57.1

Δ = Change
* Average annual unemployment rate
** Variable Entrance Requirement in average hours of insurable employment
*** Duration actually spent on claim expressed as a percentage of entitlement

2. Quebec Communities

Repentigny

The community of Repentigny is located east of Montréal on the north shore of the St. Lawrence River. Although employment is concentrated in manufacturing and retailing, there is a strong but slowly declining dependence on construction, agriculture and forestry related industries.

In 2001/02, Repentigny had an unemployment rate of 8.9%, up 0.2 percentage points from the previous reporting period. Regular and fishing claims increased by 2.5% to 18,100, reflecting the decline in employment within the construction industry. Similarly, the number of frequent claimants increased by 3.1%, from 7,120 in 2000/01 to 7,340 in 2001/02. Average weeks spent on claim remained stable at 18 weeks, while the proportion of entitlement used increased from 58.4% to 59.0%. Average weekly benefits increased by 2.5% to $290, about $14 below the national average.

Repentigny is somewhat reliant on EI with 20% of wage earners also receiving EI benefits in 2000 and benefits representing 2.9% of employment income, compared to the national average of 1.9%.

Montréal Centre East

Montréal Centre East is a largely Francophone community, with a growing proportion of the labour force made up of workers over the age of 55. Employment is concentrated in health and social services, retail trade and government services, all spin-off industries supporting downtown businesses and a large nearby industrial complex.

In 2001/02, the unemployment rate in Montréal Centre East was 8.3%, up 0.5 percentage points from the previous reporting period. Despite relatively positive labour market conditions for much of the reporting period, EI claims rose by 0.8% to 8,780, reflecting the tragic events of September 11th that affected many business service industries. However, the proportion of beneficiaries who were frequent claimants declined for the fifth consecutive year, from 30.5% in 1997/98 to 20.2% in 2001/02. Average weeks on claim increased slightly (+0.7 weeks) to 19 weeks in 2001/02, and the proportion of entitlement used increased marginally from 63.1% to 63.3% over the same period. Average weekly benefits increased by 3.6% to $289, reflecting higher average weekly earnings.

EI plays a moderate income stabilization role in Montréal Centre East, with 16.5% of persons with wages also receiving EI in 2000. Benefits represented 2.4% of employment income, slightly above the national average of 1.9%.

Table 2
Quebec Communities

Community	U Rate*		VER** Hours		Entitlement (Weeks)		Duration***		Benefits (Weekly)		% Female	% Frequent
	01/02	Δ	01/02	00/01	01/02	%Δ	01/02	%Δ	01/02	%Δ	01/02	01/02
Repentigny	8.9%	0.2	584	591	32.0	0.0	59.0%	1.0	$290	2.5	38.5	40.6
Montréal Centre East	8.3%	0.5	607	624	31.1	3.3	63.3%	0.3	$289	3.6	39.7	20.2

Δ = Change
* Average annual unemployment rate
** Variable Entrance Requirement in average hours of insurable employment
*** Duration actually spent on claim expressed as a percentage of entitlement

3. Ontario Communities

Toronto Centre

The Toronto Centre community is located in Canada's largest urban area. It is an affluent community, with average employment incomes more than twice the national level. Toronto Centre is characterized by a very high proportion of post-secondary graduates, with jobs concentrated in management and professional occupations.

In 2001/02, the unemployment rate in Toronto Centre was 6.5%, up 1.0 percentage point from the previous reporting period, but well below the national average of 7.4%. EI regular claims increased by 47.7% to 3,810, reflecting the slowdown in economic activity that impacted downtown businesses and the financial market, which emanated from the tragic events of September 11th. The proportion of entitlement used by claimants before returning to work increased to 63.3% from 59.4% in 2000/01 and the average weeks spent on claim increased significantly from 17 to 20 weeks. Average weekly benefits increased by 0.9% to $356, reflecting higher average weekly earnings. As in most large cities, work is largely full time and full year, resulting in few frequent claimants (6.6%).

EI plays a limited role in Toronto Centre, with only 5.4% of those with wages collecting EI in 2000. Benefits comprised only 0.3% of total employment income, considerably less than the national average of 1.9%.

Hamilton Mountain

Hamilton Mountain is a services-oriented community in the city of Hamilton. While employment in the community is concentrated in the service-producing sector, particularly in health and social services, retail trade and government services, its economy depends heavily on the health of the manufacturing industry, particularly steel.

The unemployment rate in Hamilton Mountain was 6.2% in 2001/02, up 1.1 percentage points from the previous reporting period. Further, employment declined as a result of job loses within the service-producing sector. As a result, regular claims increased 10.7% to 6,700 in 2001/02. The proportion of entitlement used by claimants before returning to work increased by 4.3 percentage points to 59.7% and the average weeks spent on claim also rose (+1.7 weeks) to 17 weeks. Average weekly benefits increased marginally by 0.6% to $327.

EI plays a limited role in the local economy of Hamilton Mountain, with only 9.0% of wage earners receiving EI in 2000. Moreover, EI comprised only 0.9% of total employment income in the community, less than half of the national average of 1.9%.

Table 3
Ontario Communities

Community	U Rate*		VER** Hours		Entitlement (Weeks)		Duration***		Benefits (Weekly)		% Female	% Frequent
	01/02	Δ	01/02	00/01	01/02	%Δ	01/02	%Δ	01/02	%Δ	01/02	01/02
Toronto Centre	6.5%	1.0	674	700	30.9	6.2	63.3%	6.6	$356	0.9	55.9	6.6
Hamilton Mountain	6.2%	1.1	674	694	29.0	1.4	59.7%	7.8	$327	0.6	39.7	21.3

Δ = Change
* Average annual unemployment rate
** Variable Entrance Requirement in average hours of insurable employment
*** Duration actually spent on claim expressed as a percentage of entitlement

4. Prairie and Northern Communities

St. Boniface

St. Boniface is a suburb of Winnipeg. Employment within this community is largely concentrated in manufacturing, construction, business services, retail trade, and education services.

In 2000/01, the unemployment rate in St. Boniface was 5.3%, unchanged from 2000/01 and well below the national average of 7.4%. Regular claims increased by 7.9% from 3,430 in 2000/01 to 3,700 in 2001/02. Frequent claimants comprised 26.2% of beneficiaries, down 5.3 percentage points from 2000/01 and well below the national average of 34.7%. However, claimants found work more quickly as reflected in the decline in EI entitlement used, from 61.0% to 59.6%, and in the decline in average weeks on claim, from 17 weeks in 2000/01 to 16 weeks in 2001/02.

Given the relatively strong local economy, EI plays a limited role in the community's economy, with only 10.8% of wage earners receiving EI and benefits making up only 1.3% of total employment income, less than the national average (1.9%).

Prince Albert

Prince Albert is a service and processing centre for the surrounding area of prairie agriculture and forestry in central Saskatchewan. Employment declined in 2001/02, reflecting job losses in resource-based industries.

The unemployment rate in Prince Albert in 2001/02 was 14.5%, up 1.2 percentage points from 2000/01, but nearly double the national average of 7.4%. Regular claims increased by 2.2%, from 3,640 in 2000/01 to 3,720 in 2001/02, reflecting job losses in agriculture and the mining industries. Nonetheless, about 39.2% of EI recipients were frequent claimants, as is the case in most parts of the country where seasonal industries dominate the local economy. Despite the increase in claims, other EI indicators were generally positive in 2001/02. There was a marked decline in EI entitlement used, from 54.0% in 2000/01 to 50.9% in 2001/02, while the average weeks spent on claim declined (-0.3 weeks) to 19 weeks. Average weekly benefits increased by 5.0% to $319, about $15 higher than the national average.

Prince Albert is somewhat reliant on EI with 18.1% of wage earners also receiving EI benefits in 2000 and benefits comprising 3.3% of total employment income, higher than the national average of 1.9%.

Calgary Centre

Calgary Centre is an urban centre with positive employment growth over the last few years, emanating from its strong oil and gas industry. However, the community has become less reliant on energy by broadening its economic base into the business services and transportation industries. Other key industries in Calgary Centre include manufacturing, construction, retail trade, telecommunications, education and health.

In 2001/02, the unemployment rate in Calgary Centre remained stable at 4.6%, significantly lower than the national unemployment rate of 7.4%. However, regular claims increased substantially (22.4%), from 4,070 in 2000/01 to 4,980 in 2001/02. The rise in claims reflects the slowdown in economic activity resulting from the tragic events of September 11th and stoppage of major projects within the oil and gas industry. Only a small proportion of EI beneficiaries were frequent claimants (11.6%), compared to the national average of 34.7%. The proportion of entitlement used by claimants before returning to work increased to 61.6% from 59.4%, and average weeks

spent on claim increased from 16 to 18 weeks. Average weekly benefits increased by 7.5% to $341, reflecting higher average wages of claimants.

EI plays a limited role in Calgary Centre, with only 8.1% of wage earners also receiving EI benefits. Further, benefits comprised only 0.7% of employment income, less than half of the national average (1.9%).

Yellowknife

Yellowknife is the capital of the Northwest Territories and therefore serves as the primary government and administrative centre, with some reliance on mining and construction activities.

Although the unemployment rate in the EI region is set at 25%, the unemployment rate in the city of Yellowknife was actually comparable to the national average of 7.4% in 2001/02. Employment growth in mineral and oil/gas extraction led to a 16.4% decline in EI claims from 610 in 2000/01 to 510 in 2001/02. Further, only a small proportion (15.7%) of beneficiaries were frequent claimants, in contrast to the national average of 34.7%. Average weeks (19 weeks) spent on claim and the percentage of entitlement (47.4%) used before returning to work remained stable. Average weekly benefits increased by 3.3% to $367, reflecting above average incomes in Yellowknife.

The community of Yellowknife has a slight reliance on EI, with 12.6% of wage earners also collecting EI benefits. Further, EI benefits represented less than 2% of employment income.

5. British Columbia Communities

Kelowna

Kelowna is a processing and service centre for the farming and timber rich Okanagan Valley area of British Columbia. The population of Kelowna has been growing at an annual rate of 2.5%, largely due to an emerging high-tech industry and because it is a popular retirement destination.

The unemployment rate in Kelowna was 10.1% in 2001/02, down 0.3 percentage points from 2000/01. Regular claims declined by 5.4% to 7,150, despite the increase in claims for workers over 45 years (7.6%). The rise in claims for workers 45 years and above reflects the fact that many lack the education and skills required to re-enter the labour force following lay-off from their long-term employment.

Table 4
Prairies and Northern Communities

Community	U Rate*		VER** Hours		Entitlement (Weeks)		Duration***		Benefits (Weekly)		% Female	% Frequent
	01/02	Δ	01/02	00/01	01/02	%Δ	01/02	%Δ	01/02	%Δ	01/02	01/02
St. Boniface	5.3%	0.0	700	700	27.0	-2.2	59.6%	-2.3	$293	-2.9	41.4	26.2
Prince Albert	14.5%	1.2	420	435	39.3	4.0	50.9%	-5.7	$319	5.0	26.3	39.2
Calgary Centre	4.6%	0.0	700	700	29.6	3.1	61.6%	3.7	$341	7.5	34.3	11.6
Yellowknife	25.0%	0.0	420	420	42.0	1.2	47.4%	2.2	$367	3.3	29.4	15.7

Δ = Change
* Average annual unemployment rate
** Variable Entrance Requirement in average hours of insurable employment
*** Duration actually spent on claim expressed as a percentage of entitlement

Overall, the proportion of frequent claimants declined for the fifth consecutive year, from 33.5% in 1997/98 to 28.5% in 2001/02. However, the proportion of entitlement used by claimants before returning to work increased from 55.6% to 57.1% in 2001/02, while the average weeks spent on claim remained stable at 19 weeks. Average weekly benefits increased by 1.8% to $311, about $7 above the national average.

Kelowna is somewhat reliant on EI with 17.1% of wage earners receiving EI benefits. Benefits comprised 2.3% of employment income, just above the national average of 1.9%.

Surrey

The Surrey community is a southern suburb of Vancouver. Since 1994, Surrey's population has been growing as a result of an increase in its immigrant population, with one-sixth of the local labour force having come to Canada in the last decade. The economy in Surrey is highly diverse, with major concentrations in trade, manufacturing, health and other services and construction.

In 2001/02, the unemployment rate was 6.9%, up 0.9 percentage points from 2000/01. Regular claims rose 17.0%, from 15,020 in 2000/01 to 17,570 in 2001/02, reflecting the slowdown in the economy resulting from the tragic events of September 11th and the slowdown in the high-tech industry. However, the proportion of frequent claimants declined to 22.5%, down from 25.9% in the previous reporting period. Average weeks paid rose (+1.8 weeks) to 19 weeks and the proportion of entitlement used declined from 68.6% to 67.5%, reflecting the higher increase in insurable hours by 4.0% to 1,412 hours. Average weekly benefits increased by 6.0% to $301.

The Surrey economy relies somewhat on EI, with 14.4% of wage earners also receiving EI benefits and benefits comprising 1.8% of employment income, about the same as the national average (1.9%).

Table 5
British Columbia Communities

Community	U Rate*		VER** Hours		Entitlement (Weeks)		Duration***		Benefits (Weekly)		% Female	% Frequent
	01/02	Δ	01/02	00/01	01/02	%Δ	01/02	%Δ	01/02	%Δ	01/02	01/02
Kelowna	10.1%	-0.3	540	534	34.7	-1.1	57.1%	2.7	$311	1.8	35.9	28.5
Surrey	6.9%	0.9	648	685	29.0	10.7	67.5%	-1.6	$301	6.0	43.7	22.5

Δ = Change
* Average annual unemployment rate
** Variable Entrance Requirement in average hours of insurable employment
*** Duration actually spent on claim expressed as a percentage of entitlement